

TWENTY-THIRD DAY.

Senate Chamber,
Austin, Texas,
Saturday, August 16, 1913.

The Senate met pursuant to adjournment and was called to order by President Pro Tem. Carter.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Lattimore.	

Absent.

Clark. Johnson.

Absent—Excused.

Real.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator McNealus.

(See Appendix for petitions and standing committee reports.)

SIMPLE RESOLUTION.

By Senator Cowell:

Whereas, It is the past experience of the Senate that in the preparation of the general appropriation bill for the support of the State government that fully sixty days' time is consumed by the Senate Finance Committee in preparing the Senate bill, and that in but few instances has the Legislature been able to pass the appropriation bill during the first sixty days of the Regular Session of the Legislature; and

Whereas, It is believed that said consummation of time is largely due to the hearings before the Finance Committee or subcommittees of the Finance Committee and to the time consumed in visiting the various institutions of the State by subcommittees of the Finance Committee; and

Whereas, It is believed that a great

measure of this time may be saved by the appointment of a committee whose duty it will be to hold open hearings for the various departments of the State government prior to the meeting of the next session of the Legislature and by empowering said committee to visit the various institutions of the State government prior to the meeting of the Legislature and empowering, authorizing and requiring said committee so appointed to prepare the first draft of the appropriation bill and submit the same, through the Lieutenant Governor, to the Senate Finance Committee when the Legislature shall again meet, together with a carefully prepared report; now, therefore, be it resolved by the Senate:

1. That there is hereby constituted a committee of three members to be appointed from the membership of the Senate by the Lieutenant Governor, to be known as the Senate Advisory Finance Committee.

2. That said committee be authorized and instructed to meet in the city of Austin at such time as may suit the convenience of the committee, and there enter upon its duties of preparing an advisory appropriation bill to be submitted to the Senate of the Thirty-fourth Legislature when the same shall have convened in January, A. D. 1915; that said committee shall hold such hearings and make such investigations as to the various departments and institutions of the State government as to enable it to obtain reliable information as to the needs of same. It shall conduct such hearings in the city of Austin and such other places and points in the State of Texas as may be necessary in the performance of its duties. It shall visit each and all of the State institutions and carefully investigate the conditions and financial needs of said institutions. It shall be the duty of said committee to call on the heads of all State departments and institutions for reports, statements and records of the requirements of their several offices and institutions in order to enable the committee to determine the financial needs of the same. The committee is vested with full authority to make these investigations the same as though it were a subcommittee of the Finance Committee during the session of the Senate.

3. The committee is empowered and authorized to employ such clerks, stenographers and other help as may be necessary in conducting its sessions and its investigations, and may fix the compensation of those employed at not exceeding the sum paid for similar employ-

ment by the Senate during its Regular Sessions.

4. Each member of the committee shall receive a per diem compensation of five dollars during the time it is engaged on its labors, beginning on the day each member thereof leaves his home for the city of Austin, and ending on the day when he shall have reached his home; in addition thereto the members of said committee shall receive their actual traveling expenses, including hotel bills, from the day they leave home and during the period of time when they are engaged in their labors until they again reach home; the clerical help, stenographers and others employed by the committee shall when absent from the city of Austin receive their necessary traveling expenses and hotel bills in addition to the salary agreed upon by and between them and the committee.

5. The committee on entering upon its labors shall select its own chairman and shall keep regular minutes of its proceedings, which minute book shall be embraced in its report.

6. All funds herein authorized to be expended and the per diem of the members of the committee and all other expenses shall be paid out of the State Treasury upon warrants issued by the Comptroller, passed upon sworn statements approved by the chairman of the committee, and shall be paid out of the contingent expense fund of the Thirty-third Legislature, and all other expenses shall also be paid in the same manner out of said fund.

7. The committee shall have authority to sit as long as sixty days. When it shall have prepared its report it shall make the report and the bill drawn by it in the form of a report to the Lieutenant Governor, and shall cause the same to be printed in convenient form similar to that in which bills are ordinarily printed, and shall have five hundred copies thereof printed for distribution among the heads of the departments of the State government and the Senate and House of Representatives when the Senate of the Thirty-fourth Legislature shall meet, which expense of publication shall be paid as is provided for the payment of other expenses in this resolution.

8. It shall be the duty of the Lieutenant Governor to transmit the report and advisory bill herein referred to to the Senate Finance Committee of the Thirty-fourth Legislature when said committee shall have been appointed.

9. Should the House of Representatives create a committee similar to that created by this resolution, then the committee herein created shall have author-

ity, in its discretion, to sit with the said House committee for all the purposes herein provided, and join said House committee in making a joint report to the Senate and House, if in its discretion the Senate committee should decide so to do.

The resolution was read, and Senator Terrell made the point of order that the Senate could not make an appropriation of funds in this way, and that the appropriation would have to be made by a specific bill.

On motion of Senator McNealus, the resolution was made a special order for next Monday morning following the morning call.

EXCUSED.

On account of sickness:

Senator Johnson, for today and Monday, on motion of Senator Townsend.

On account of important business:

Senator Clark, for today, on motion of Senator McNealus.

BILLS AND RESOLUTIONS.

By Senator Collins:

Senate bill No. 55, A bill to be entitled "An Act to amend Article 2827 and Article 2862 of the Revised Civil Statutes of the State of Texas so as to provide that the valuation placed on property for taxation in county line independent school districts having their own tax assessor will not be governed by the valuation placed thereon for State and county taxation, and declaring an emergency."

Read first time and referred to Committee on Educational Affairs.

Morning call concluded.

(By Unanimous Consent.)

By Senator Hudspeth:

Senate bill No. 56, A bill to be entitled "An Act to change and prescribe the time for holding district court in the Thirty-eighth Judicial District of Texas; and to repeal all laws in conflict herewith, and declaring an emergency."

Read first time and referred to Committee on Judicial Districts.

By Senator Harley:

Senate bill No. 57, A bill to be entitled "An Act creating the Gonzales Independent School District in Gonzales county, Texas; defining its boundaries; provid-

ing for a board of trustees to manage and control the public free schools within said district; divesting the city of Gonzales of the control of its public free schools, and the title of all property now held and used for public school purposes; investing said district with the rights, powers, privileges and duties of a town or village incorporated for free school purposes only under the General Laws, and declaring an emergency."

Read first time and referred to Committee on Educational Affairs.

By Senator Wiley:

Senate bill No. 58, A bill to be entitled "An Act to name the several counties composing the Sixteenth Judicial District of Texas, and fixing the time for holding district courts therein, and to repeal all laws in conflict herewith, and declaring an emergency."

Read first time and referred to Committee on Judicial Districts.

REFUSED TO TAKE UP REPORT OF COMMITTEE.

Senator Lattimore asked unanimous consent to take up a report of the Committee on Contingent Expenses with regard to paying attorney's fees for the contestants in the recent contest for the seat of the First District, and there was objection, and

Senator Lattimore moved to suspend the regular order of business for the purpose of taking up the report, which motion was lost by the following vote, a two-thirds vote being necessary:

Yeas—15.

Astin.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Collins.	Oliver.
Cowell.	Terrell.
Gibson.	Watson.
Greer.	Willacy.
Hudspeth.	

Nays—11.

Carter.	Taylor.
Conner.	Townsend.
Darwin.	Warren.
Harley.	Westbrook.
Morrow.	Wiley.
Nugent.	

Absent.

Bailey of De Witt.

Absent—Excused.

Clark.
Johnson.

Real.

SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Brelsford:

Be it resolved, That the President of the Senate designate a notarial clerk from among the Senate employes for immediate service in the matter of preparing the notary list.

The resolution was read and adopted.

HOUSE BILL NO. 40.

(By Unanimous Consent.)

The Chair laid before the Senate, on second reading,

House bill No. 40, A bill to be entitled "An Act to amend Chapter 162 of the Acts of the Regular Session of the Thirty-third Legislature of the State of Texas, entitled 'An Act to amend Chapter 24 of the Acts of the First Called Session of the Thirty-first Legislature of the State of Texas, entitled "An Act to provide for the establishment and maintenance of agricultural, horticultural and feeding experiment stations in certain parts of Texas; to provide for proper appropriations therefor, and repealing all laws in conflict herewith, and declaring an emergency," and providing further for a governing board for the Texas Agricultural Experiment Station, defining the place of residence of the Director of Texas Experiment Stations, and declaring an emergency'; providing for the payment of the salary of the director of said experiment stations, defining his powers and duties and also the powers and duties of the governing board; also providing that the Texas State Agricultural Experiment Station located at College Station, Brazos county, Texas, at the Agricultural and Mechanical College of Texas, shall remain under the control of the board of directors of the Agricultural and Mechanical College and authorizing the said board to receive from the Federal government the aid that has been or may hereafter be available for it under an act of Congress, and declaring an emergency."

The committee report was adopted.

Senator Townsend offered the following amendment:

Amend the bill, Section 6, line 1, by striking out the word "Governor" and insert in lieu thereof "the Legislature."

The amendment was read and adopted by the following vote:

Yeas—21.

Astin.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Harley.	Wiley.
Lattimore.	Willacy.
McNealus.	

Nays—4.

Bailey of Harris.	Hudspeth.
Conner.	Watson.

Absent.

Bailey of De Witt.	McGregor.
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Absent—Excused.

Clark.	Real.
Johnson.	

Senator Townsend moved to reconsider the vote by which the amendment was adopted and to lay that motion on the table.

The motion to table prevailed.

The bill was read second time and passed to a third reading.

On motion of Senator Conner, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—23.

Astin.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.
Harley.	Willacy.
Lattimore.	

Absent.

Bailey of DeWitt.	McGregor.
Hudspeth.	Watson.

Absent—Excused.

Clark.	Real.
Johnson.	

The bill was third time and passed by the following vote:

Yeas—23.

Astin.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.
Harley.	Willacy.
Lattimore.	

Absent.

Bailey of De Witt.	McGregor.
Hudspeth.	Watson.

Absent—Excused.

Clark.	Real.
Johnson.	

Senator Conner moved to reconsider the vote by which the bill was passed, and to lay that motion on the table.

The motion to table prevailed.

HOUSE MESSAGE.

Hall of the House of Representatives,
Austin, Texas, August 15, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bills:

House bill No. 17, A bill to be entitled "An Act to provide for the incorporation and regulation of certain corporations generally known as building and loan associations; and for the government and control of the same; placing the same under the control and supervision of the Commissioner of Insurance and Banking; and providing for the admission in this State of foreign building and loan associations; and providing penalties for the violation of this act, and repealing all laws in conflict with this act."

House bill No. 38, A bill to be entitled "An Act to amend Article 7642, of Chapter 13, Title 126, Revised Statutes, 1911, providing for the redemption by the owner of lands or lots heretofore sold or that may hereafter be sold to the

State, city or town for taxes, and declaring an emergency."

House bill No. 44, A bill to be entitled "An Act to amend Chapter 5 of the Revised Criminal Statutes of Texas of 1911, and Title 131 of the Revised Civil Statutes of Texas of 1911; providing for the conduct of the business of public warehousemen, describing what constitutes such warehouse, and defining who shall be held to be public warehousemen; providing that all persons, firms and corporations, or associations of persons, shall obtain a certificate of authority from the county clerk of the county in which they intend to engage in said business of warehousemen, and defining the requisites of said certificate; providing that such warehousemen shall issue negotiable and non-negotiable receipts for property stored in such warehouses, and vesting the supervision of such public warehouses in the Commissioner of Insurance and Banking, and defining his duty with reference to such warehouses, and directing said Commissioner to prescribe uniform public warehouse receipts for cotton; and requiring that any encumbrance on cotton stored in public warehouses shall be disclosed in the endorsement on the back of such negotiable receipt or certificate, and providing a penalty for failure to truthfully disclose such facts; preventing public warehousemen, by provisions inserted in their receipts, from limiting their liability under the law; providing for the negotiability of receipts issued; providing a penalty for public warehousemen who violate the provisions of this act; providing the conditions under which private warehousemen may conduct such business; providing for the appointment of a board of cotton grading examiners and defining their duties; requiring public warehousemen storing cotton to employ a competent cotton classer, and affixing a penalty for failure to do so."

House bill No. 61, A bill to be entitled "An Act to amend Section 1, Chapter 40, Special Laws, passed at the Regular Session of the Thirty-third Legislature, being 'An Act creating Rising Star Independent School District in Eastland county, Texas, providing for a board of trustees in said independent school district, and conferring upon said district and its board of trustees all of the rights, powers, privileges and duties now conferred and imposed upon independent school districts and the board of trustees thereof; providing that the taxes assessed for the old Rising Star Independent School District for the year 1913 shall be collected and paid to the

treasurer of said Rising Star Independent School District hereby established, and declaring an emergency," and declaring an emergency."

House bill No. 63, A bill to be entitled "An Act authorizing the city of Nacogdoches, a municipal corporation, to sell to the United States of America a portion of the Main Plaza for a Federal building site, and declaring an emergency."

House bill No. 65, A bill to be entitled "An Act creating the Belcher Independent School District in Montague county, Texas, defining its boundaries, providing for a board of trustees to manage and control public free schools within said district, divesting the city of Belcher of the control of its public free schools, and the title of all properties now held and used for public free school purposes, investing said district with the rights, powers, privileges and duties of a town or village incorporated for free school purposes only, under the general laws of this State, and declaring an emergency."

House bill No. 46, A bill to be entitled "An Act to amend Sections 3, 4 and 10, of Chapter 173 of the Acts of the Regular Session of the Thirty-third Legislature of the State of Texas, approved April 9, 1913, relating to the development of minerals in public lands."

House bill No. 73, A bill to be entitled "An Act to create a more efficient road system for Galveston county, Texas, and making county commissioners precinct road commissioners of their respective precincts, providing their compensation, defining their powers and duties, and declaring an emergency."

House bill No. 77, A bill to be entitled "An Act to amend Chapter 41, Act of the Twenty-ninth Legislature, as amended by the Thirtieth Legislature, being an act to create a more efficient road system for Dallas county, and declaring an emergency."

House bill No. 87, A bill to be entitled "An Act dividing Ridings Common School District No. 95, in Fannin county, Texas, into two common school districts, to be known as 'Ridings' Common School District No. 95' and 'Finley Common School District No. 126,' by a line running east and west across said Ridings Common School District No. 95, so as to give each of the newly created common school districts about an equal number of square miles of territory."

Senate bill No. 26, providing for appointment of notaries public.

House bill No. 57, A bill to be entitled "An Act to amend Chapter 1, Title 11, of the Revised Civil Statutes of this State of 1911, relating to attachments,

by adding thereto Article 247a, providing for the issuance of attachments in suits founded in tort and upon unliquidated demands, and providing for the fixing of the amount of bond in such cases, and declaring an emergency," with engrossed rider.

The House concurs in Senate amendments to House bill No. 39.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

HOUSE BILLS ON FIRST READING.

The Chair, President Pro Tem. Carter, referred, after their captions had been read, the following House bills:

House bill No. 38, referred to Committee on Towns and City Corporations.

House bill No. 44, referred to Committee on Agricultural Affairs.

House bill No. 46, referred to Judiciary Committee No. 1.

House bill No. 63, referred to Committee on Federal Relations.

House bill No. 61, referred to Committee on Educational Affairs.

House bill No. 17, referred to Judiciary Committee No. 1.

House bill No. 65, referred to Committee on Educational Affairs.

House bill No. 57, referred to Judiciary Committee No. 2.

House bill No. 73, referred to Committee on Roads, Bridges and Ferries.

House bill No. 77, referred to Committee on Roads, Bridges and Ferries.

House bill No. 87, referred to Committee on Educational Affairs.

HOUSE MESSAGE.

Hall of the House of Representatives,
Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolution:

Senate Concurrent Resolution No. 5
Relating to Pan-American Exposition,
with amendments.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

SENATE BILL NO. 39.

The Chair laid before the Senate, on second reading, and special order for this hour,

Senate bill No. 39, A bill to be entitled "An Act providing for the construction of necessary buildings for the University of Texas; for raising the necessary funds for such purpose by the creation of the University of Texas building fund; prescribing certain duties for carrying into effect the provisions of this act of the Governor of the State, the Attorney General, the Superintendent of Public Instruction, the president of the University of Texas and the president of the board of regents of the University of Texas, and declaring an emergency."

There being a favorable majority committee report and an adverse minority committee report,

Senator Warren moved the adoption of the majority committee report.

Senator Astin moved, as a substitute, that the minority report be adopted.

Pending discussion, Senator Wiley moved the previous question on the pending motions, which motion being duly seconded, was so ordered.

Action recurred on the motion to adopt the minority report and the same was lost by the following vote:

Yeas—2.

Astin.

McNealus.

Nays—22.

Bailey of Harris.

McGregor.

Brelsford.

Morrow.

Carter.

Nugent.

Collins.

Taylor.

Cowell.

Terrell.

Darwin.

Townsend.

Gibson.

Warren.

Greer.

Watson.

Harley.

Westbrook.

Hudspeth.

Wiley.

Lattimore.

Willacy.

Absent.

Bailey of De Witt.

Oliver.

Conner.

Absent—Excused.

Clark.

Real.

Johnson.

The majority committee report was then adopted.

Senator Warren offered the following amendments, separately, which were read and adopted:

(1)

Amend the bill in Section 2 thereof by striking out the figures "1928" and insert in lieu thereof the figures "1943."

(2)

Amend the bill in Section 3 thereof by striking out the words "two million dollars (\$2,000,000)," in line 3 of said section, inserting in lieu thereof "three million dollars (\$3,000,000);" and also by striking out the figures "1929," and inserting in lieu thereof, the figures "1944."

Senator Warren offered the following amendment:

Amend the bill by striking out all of Section 4 and inserting in lieu thereof the following:

"Sec. 4. The University of Texas building fund certificates herein provided for shall be divided in the following manner: Two million dollars of said certificates shall be delivered to the board of regents of the University of Texas and one million dollars thereof shall be placed in the State Treasury to the credit of the account of the Agricultural and Mechanical College of this State and Prairie View Normal College of this State; that two million dollars in certificates delivered to the board of regents of the University of Texas may be sold by said board as they desire in the open market for not less than par and accrued interest; or they may be purchased by the State Board of Education for the benefit of the public school fund of the State; the State shall be responsible for all such investments of the public school fund. The one million dollars in certificates places to the credit of the Agricultural and Mechanical College and the Prairie View Normal may be upon demand of the board of directors of the Agricultural and Mechanical College, delivered to said board and by them sold in the open market for not less than par and accrued interest, or they may be purchased by the State Board of Education for the benefit of the public school fund of the State, and the funds realized from such sale shall be placed in the State Treasury to the credit of the Agricultural and Mechanical College and Prairie View Normal College, to be afterwards by this or a succeeding Legislature appropriated to the Agricultural and Mechanical College now located at College Station, Texas, and the Prairie View Normal College of Prairie View, Texas, for building purposes in such amounts as the Legislature may hereafter prescribe."

Senator Astin offered the following amendment to the amendment:

Amend the amendment, Section 4, by striking out the words "Prairie View

Normal College" wherever they appear in said section.

Senator Harley moved to table the amendment to the amendment, which motion was adopted.

Senator Astin offered the following amendment to the amendment:

Amend the amendment, Section 4, line 25, by striking out all after the word "College" and in lieu thereof add the following: "now located at College Station, Texas."

On motion of Senator Harley, the amendment to the amendment was tabled.

Senator Astin offered the following amendment to the amendment:

Amend the amendment, Section 4, by striking out all after the word "dollars" in line 5, down to the word "Agricultural," and insert in lieu thereof "of said certificates shall be delivered to the Board of Directors of the."

On motion of Senator Harley, the amendment to the amendment was tabled.

Senator Astin offered the following amendment to the amendment:

Amend the amendment, Section 4, by adding at the end thereof the following: "Providing that the two million acres of the University land or endowment fund, and the proceeds thereof, shall be divided between the University and the Agricultural and Mechanical College, and at least one-third thereof in value shall be turned over to the Board of Directors of the A. and M. College for the use and benefit of said College."

On motion of Senator Warren, the amendment to the amendment was tabled.

Senator Nugent offered the following amendment to the amendment, which was read and adopted:

Amend the amendment to Section 4 by adding thereto the following: "Provided, that in the matter of purchase of said bonds by the school fund preference shall first be given to public free school bonds of the State issued for the purpose of building common free school buildings."

The amendment, as amended, was adopted.

Senator Warren offered the following amendment:

Amend the bill in Section 6 thereof by striking out said section and inserting in lieu thereof the following:

"Sec. 6. All funds which accumulate in the University of Texas building fund in excess of the amount necessary to pay the annual interest thereon shall be and

is hereby constituted a special sinking fund for the liquidation of the principal of the three million dollars certificates issued under this act, and said fund shall be from time to time invested by the State Board of Education in securities bearing at least five per cent interest per annum; the class of securities in which the Board of Education is authorized to invest said sinking fund from time to time as it accumulates is as follows:

(a) In bonds of the United States or any of the States of the United States which are at or above par and upon which the interest has never been defaulted.

(b) In bonds or first liens on unencumbered real estate in this State, provided in each instance such real estate shall be worth at least twice the amount loaned thereon; and if the buildings on said real estate are considered as a part of the value of the same, then such buildings must be insured for the benefit of said sinking fund. All obligations, when necessary, may be made payable to the University of Texas building fund.

(c) In bonds or other interest-bearing indebtedness of any county, incorporated city, town, school or district within this State, provided that such bonds or evidence of indebtedness are issued by authority of law and that interest upon the same has never been defaulted. The proceeds of the two million dollars certificates delivered to the Board of Regents of the University when obtained, shall be deposited in the Treasury as hereinbefore provided and so much of the same as may not be immediately necessary for the purpose of paying the expenditures authorized under this act may be by the State Treasurer deposited in some of the State depositories under the terms and provisions of law, and the interest thereon, after the same is paid, shall be added to and paid into the sinking fund herein provided for."

Senator Astin offered the following amendment to the amendment:

Amend the amendment in subdivision (b) of Section 6, after the word "Texas" in the last line, by adding "and Agricultural and Mechanical College."

**SENATE CONCURRENT RESOLUTION
NO. 5—HOUSE AMENDMENTS
CONCURRED IN.**

Senator Bailey of Harris called up Senate Concurrent Resolution No. 5 and moved that the Senate concur in the following House amendment:

Amend Senate Concurrent Resolution No. 5, page 1, line 15, by striking out the words "five persons" and inserting in lieu thereof the words "three men and two women."

The amendment was read, and the motion to concur prevailed.

RECESS.

On motion of Senator Bailey of Harris, the Senate, at 12:45 o'clock p. m., recessed until 3 o'clock today.

AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by Lieutenant Governor Mayes.

SENATE BILL NO. 39.

(Pending Business.)

Action recurred on the pending business, Senate bill No. 39, the question being on the pending amendment by Senator Astin to the amendment by Senator Warren.

Senator Harley moved to table the amendment to the amendment, which motion to table prevailed.

The amendment by Senator Warren was then adopted.

Senator Warren offered the following amendment:

Amend the caption of the bill by inserting after the word "act" and before the words "and declaring an emergency," the following: "Also providing that a portion of the certificates authorized to be issued shall be set aside to the Agricultural and Mechanical College and Prairie View Normal College of the State of Texas; and providing that the certificates issued under this act may be used as investments for certain corporations, trust funds and for the sinking funds created by the State to liquidate securities of the State or any of its departments or any of the counties, cities, districts or municipalities authorized by law to incur indebtedness; and providing that the sinking fund created by law of railroad and other corporations may be invested in said certificates."

Senator Warren moved the previous question on the amendment and the bill, which motion being duly seconded, was so ordered.

The amendment was then adopted.

The bill, having been read, was passed to engrossment.

On motion of Senator Warren, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—23.

Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Cowell.	Townsend.
Darwin.	Warren.
Greer.	Watson.
Harley.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.
McGregor.	

Nays—3.

Astin.	Terrell.
Conner.	

Absent.

Gibson.	Absent—Excused.
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Clark.	Real.
Johnson.	

The bill was read third time and passed by the following vote:

Yeas—16.

Bailey of Harris.	McGregor.
Brelsford.	Morrow.
Carter.	Nugent.
Collins.	Taylor.
Darwin.	Townsend.
Greer.	Warren.
Harley.	Watson.
Hudspeth.	Willacy.

Nays—7.

Astin.	Terrell.
Conner.	Westbrook.
Lattimore.	Wiley.
Oliver.	

Present—Not Voting.

Bailey of De Witt.	McNealus.
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Absent.

Cowell.	Gibson.
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Absent—Excused.

Clark.	Real.
Johnson.	

Senator Warren moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

HOUSE MESSAGE.

Hall of the House of Representatives,
Austin, Texas, August 16, 1913.
Hon. Will H. Mayes, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House does not concur in Senate amendments to House bill No. 40, and requests the appointment of a Free Conference Committee. The following on the part of the House have been appointed: Burmeister, Rowell, Fountain, Crisp and Bruce.

Mr. Burmeister has been appointed to take the place of Mr. Wagstaff on Free Conference Committee on House bill No. 18.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

HOUSE BILL NO. 73.

Senator Bailey of Harris moved that the regular order of business, Senate bill No. 10, be suspended and that the Senate take up, out of its order, House bill No. 73.

The motion prevailed by the following vote:

Yeas—25.

Bailey of DeWitt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Harley.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.
McGregor.	

Nays—1.

Astin.

Absent.

Conner.

Absent—Excused.

Real

Johnson.

Clark.

On motion of Senator Bailey of Harris, the constitutional rule requiring bills to be read on three several days was suspended and House bill No. 73 put on its second reading by the following vote:

Yeas—26.

Astin.	Bailey of Harris.
Bailey of De Witt.	Brelsford.

Carter.	Morrow.
Collins.	Nugent.
Cowell.	Oliver.
Darwin.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Harley.	Warren.
Hudspeth.	Watson.
Lattimore.	Westbrook.
McGregor.	Wiley.
McNealus.	Willacy.

Absent.

Conner.

Absent—Excused.

Clark.
Johnson.

Real.

The Chair laid before the Senate, on second reading,

House bill No. 73, local road law for Galveston county, and declaring an emergency.

The Senate rule requiring reports to lie over for one day was suspended, for the purpose of considering this bill (see Appendix for committee report).

The committee report, which provided that the bill be not printed, was adopted.

The bill was read second time and passed to a third reading.

On motion of Senator Bailey of Harris, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—27.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Lattimore.	

Absent—Excused.

Clark.
Johnson.

Real.

The bill was read third time and passed by the following vote:

Yeas—27.

Astin.	Bailey of Harris.
Bailey of De Witt.	Brelsford

Carter.	Morrow.
Collins.	Nugent.
Conner.	Oliver.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Harley.	Watson.
Hudspeth.	Westbrook.
Lattimore.	Wiley.
McGregor.	Willacy.
McNealus.	

Absent—Excused.

Clark.
Johnson.

Real.

Senator Bailey of Harris moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

HOUSE BILL NO. 29.

(By Unanimous Consent.)

The Chair laid before the Senate, on second reading,

House bill No. 29, A bill to be entitled "An Act making appropriations to pay various miscellaneous claims against the State, authorizing the payment of said miscellaneous items on the taking effect of this act, making appropriations for deficiencies incurred in the support of the State government for the fiscal year ending August 31, 1913, and for the purpose of meeting emergencies occurring during the fiscal year ending August 31, 1913, and declaring an emergency."

The committee report, with (committee) amendments, and that the bill be not printed, was adopted.

Senator Willacy offered the following amendment, which was read and adopted:

Amend the caption by striking out the words and figures "and for emergencies occurring during the fiscal year ending August 31, 1913, and declaring an emergency," and insert in lieu thereof the following: "and for emergencies occurring during the years ending August 31, 1914, and August 31, 1915, and declaring an emergency."

Senator Hudspeth, offered the following amendment, which was read and adopted:

Amend the bill, page 399 of Senate Journal, by adding after the item "to pay W. J. Matthews," the following: "To pay George Harper, ex-tax collector of El Paso county, the sum of \$99.45 as refund excess taxes paid Comptroller in the year 1909 and in the year 1910."

Senator Wiley offered the following amendment, which was read and adopted:

Amend the bill as amended by inserting the following after last item in bill:

Adjutant General's Department. •

Miscellaneous accounts due by the Adjutant General's Department:

To pay—

Hauling freight, H. W. Kinard	\$ 1 75
Lloyd Mitchell, hauling freight	3 00
W. L. Gee, Co. G, 2nd Inf. hauling freight	8 00
Hillsboro Transfer	4 00
Captain J. T. Wakefield, Sherman	4 00
J. B. Harris, hauling freight	5 00
D. J. Matthews, hauling baggage	10 00
H. A. Baker, mustering out company and returning equipment	34 05
Waters Pierce	11 42
J. E. Taulman	11 10
Western Union (April, May, June and July)	102 69
Tobin Bros.	211 69
United Telephone Co.	6 85
J. S. Swift	20 00
Gulf Refining Co.	4 70
C. M. Miller	11 60
Jos. Stumpf	4 00
Calcasieu Lumber Co.	3 00
Waterworks and Power Plant	21 33
Water and Power Plant.	14 28
D. W. Spurlock, hauling	1 45
Model Steam Laundry	32 75
Western Union	13 95
M., K. & T. Ry.	26 55
S. W. Tel. Co.	128 80
M., K. & T. Ry.	201 52

Total\$897 48

The bill was read second time and passed to a third reading.

On motion of Senator Willacy, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—23.

Astin.	Gibson.
Bailey of De Witt.	Greer.
Bailey of Harris.	Harley.
Brelsford.	Lattimore.
Carter.	McNealus.
Collins.	Morrow.
Conner.	Nugent.
Cowell.	Oliver.
Darwin.	Terrell.

Townsend. Wiley.
Watson. Willacy.
Westbrook.

Absent.

Hudspeth. Taylor.
McGregor. Warren.

Absent—Excused.

Clark. Real.
Johnson.

The bill was read third time and passed by the following vote:

Yeas—23.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Wiley.
Harley.	Willacy.
Lattimore.	

Nays—1.

Westbrook.

Present—Not Voting.

Morrow

Absent.

Bailey of Harris. Hudspeth.

Absent—Excused.

Clark. Real.
Johnson.

Senator Willacy moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

FREE CONFERENCE COMMITTEE REPORT.

By Senator Taylor:

Committee Room,
Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate, and Hon. Chester H. Terrell, Speaker of the House of Representatives.

Sirs: Your Conference Committee, to whom was referred the differences of the two houses on Senate bill No. 3, by Taylor, relating to the election of United States Senators, have had the same

under consideration, and beg leave to make the following report, to-wit:

As a working basis, we took House bill No. 4 on the same subject, and after making certain corrective amendments in the House bill, which were necessary, we made the following additions, taken from the Senate bill:

1. Adding to Section 3, after the word "act," the following:

"The returns from any election held for United States Senator shall be made, the result ascertained and declared; a certificate of election issued, and as provided for the election of Representatives to the Congress by Chapter 7, Title 49, Revised Civil Statutes of 1911."

2. We added Section 8 of the Senate bill as follows:

"Sec. 8. Any candidate who desires his name to appear on the official ballot for a special primary as a candidate for the nomination of such party for the office of United States Senator shall file with the State Chairman of his party, not later than thirty (30) days prior to the date of such primary, his written request that his name be placed upon such official ballot as a candidate for the nomination of United States Senator, giving his age and occupation, the county of his residence and postoffice address, which shall be signed by him and acknowledged by him before some officer, and also twenty-five (25) qualified voters may likewise join in a request that the name of any person affiliating with such party be placed upon the official ballot as a candidate for United States Senator, giving the occupation, county of residence and postoffice address of such person, signing and acknowledging same as above provided, and may file the same with the State Chairman within the time above mentioned with the same effect as if such request had been filed by the party named therein as a candidate for such nomination. And the chairman and secretary of the State committee shall forthwith cause to be mailed to the chairman and secretary of every county committee of the party in the State the name of such candidate for United States Senator, with instructions that it be placed on the official ballot of such county. All request shall be considered filed with the State chairman when they are sent from any point within the United States by registered mail, addressed to the State chairman at his postoffice address. On the first Saturday following such special primary election, the county executive committee of

each county in the State shall meet and canvass the returns of such election, and shall immediately thereafter certify by its chairman and secretary the result of said election and forward same to the State Chairman. The State Executive Committee shall meet at a time not later than fifteen (15) days after the date of said special primary and canvass and tabulate the returns of said election as certified by the county chairman, and the candidate receiving a majority of the votes cast at such primary shall be the nominee of the party for such office; and the State Chairman shall order the name of such candidate placed upon the official ballot of said party."

4. We added the following:

"Provided, however, if at the first primary election no candidate receives a majority of the votes polled by his party for all the candidates for United States Senator before said party, the State Executive Committee or State Chairman thereof shall call a second primary election for the purpose of determining the choice of the party as between the two candidates receiving the largest number of votes at the first primary election. Said second primary shall be held on the third Saturday following the first primary, and, at such second primary, only the two candidates in each party receiving the highest votes shall be voted upon.

"Sec. 30. When there are two Senators to be elected from Texas to the Congress of the United States, each candidate offering his name for election shall designate in his application for a position on the ticket whether in a general or special election or primary whether he is a candidate for the short or long term.

"Sec. 40. Emergency clause"

4. We added a provision providing for a second primary in special elections. This necessitated amending Sec. 2 of the House bill so that the Governor could call an election in not less than sixty days nor more than ninety days. It is absolutely necessary to make this change if we have majority nominations where vacancies occur and special elections are held to fill them.

5. As adopted, the House bill carried with it a provision allowing \$2000 additional expense where there was a second primary. The amount for the second primary is reduced by the accompanying bill to \$1000.

We respectfully submit that the ac-

companying substitute for the two bills shall be adopted.

TAYLOR,
WARREN,
COLLINS,
BRELSFORD,
HUDSPETH,
On the part of the Senate.
KENNEDY,
DOVE,
MILLS,
HUNTER,
KIRBY,

On the part of the House.

The above report was read and adopted by the following vote:

Yeas—22.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Collins.	Oliver.
Conner.	Taylor.
Cowell.	Townsend.
Greer.	Watson.
Harley.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.

Nays—1.

Darwin.

Absent.

Bailey of Harris.	Terrell.
Gibson.	Warren.

Absent—Excused.

Clark.	Real.
Johnson.	

REASON FOR VOTE.

I do not favor the strict and rigid limitations placed upon candidates for United States Senator and their friends in the expenditure of campaign funds, for the following reasons:

First. Because I believe in educational campaigns, and no man can properly inform the people as to his views, or reach the people for full and free discussion of issues, for the amount named in the bill, unless people supporting such candidate may exercise the right to bear many such expenses, which a free people ought to have the right to do.

Second. Because the freedom and liberty of the people to actively support the candidate of their choice and to bear, themselves, without any element of fraud or evil, legitimate campaign expenses are so restricted and limited as

to destroy one of the greatest rights of the people.

However, the right of the people to elect their United States Senators by popular vote is so much more important than any detail, and it being the declared policy of our Democratic party to so elect our United States Senators, I vote "yea."

NUGENT.

SENATE BILL NO. 57.

On motion of Senator Harley, the constitutional rule requiring bills to be read on three several days was suspended and Senate bill No. 57 put on its second reading by the following vote:

Yeas—23.

Astin.	McNealus.
Bailey of De Witt.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Greer.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Lattimore.	

Absent.

Bailey of Harris.	McGregor.
Gibson.	Watson.

Absent—Excused.

Clark.	Real.
Johnson.	

The Chair laid before the Senate, on second reading,

Senate bill No. 57, relating to Gonzales Independent School District, and declaring an emergency.

The Senate rule requiring committee reports to live over for one day was suspended for the purpose of considering this bill. (See Appendix for committee report.)

The committee report, which provided that the bill be not printed, was adopted.

The bill was read second time and passed to a third reading.

On motion of Senator Harley, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—27.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Lattimore.	

Absent—Excused.

Clark.	Real.
Johnson.	

The bill was read third time and passed by the following vote:

Yeas—27.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Lattimore.	

Absent—Excused.

Clark.	Real
Johnson.	

Senator Harley moved to reconsider the vote by which the bill was passed and to lay that motion on the table.

The motion to table prevailed.

EXECUTIVE MESSAGE.

Governor's Office,
Austin, Texas, August 16, 1913.

To the Senate:

I ask the advice and consent of the Senate to the appointment of the following named persons as notaries public in the counties named:

Travis County—Warren W. Moore, Austin; Percy McDannell, Austin; A. M. Schrader, Austin; A. D. Williams, Creedmoor; W. L. Hartung, Austin; G. B. Rogers, Austin; Richard Corner, Austin; L. F. Shelton, Austin; Miss Addie

N. McCollan, Austin; Miss Mamie Shigar, Austin.

Dallas County—J. W. Kincaid, Dallas; H. N. Howell, Dallas; J. J. Stein, Dallas. Galveston County—T. S. Russell, Galveston, Richard C. Walker, Galveston.

Harris County—G. H. Stubblefield, Houston; Otto T. Schuddemagen, Houston.

Ellis County—King Chas. Gaston, Ennis.

Bee County—Chas. Troy, Beeville; J. F. Dibrell, Skidmore; W. B. Soyars, Skidmore; J. P. Nedbalek, Skidmore; R. W. Sparks, Skidmore; D. G. Madray, Skidmore.

Respectfully submitted,
O. B. COLQUITT,
Governor of Texas.

HOUSE BILL NO. 44.

On motion of Senator Lattimore, House bill No. 44 was made a special order for next Monday morning immediately after the morning call.

HOUSE BILL NO. 63.

On motion of Senator Collins, the constitutional rule requiring bills to be read on three several days was suspended and House bill No. 63 was put on its second reading by the following vote:

Yeas—27.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Lattimore.	

Absent—Excused.

Clark.	Real.
Johnson.	

The Chair laid before the Senate, on its second reading,

House bill No. 63, A bill to be entitled "An Act authorizing the city of Nacogdoches to sell to the United States certain lands, and declaring an emergency."

The Senate rule requiring committee reports to lie over for one day was sus-

pended for the purpose of considering this bill (see Appendix for committee report).

The committee report, which provided that the bill be not printed, was adopted.

The bill was read second time and passed to a third reading.

On motion of Senator Collins, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—27.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Lattimore.	

Absent—Excused.

Clark. Real.
Johnson.

The bill was read third time and was passed by the following vote:

Yeas—27.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Lattimore.	

Absent—Excused.

Clark. Real.
Johnson.

Senator Collins moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

HOUSE BILL NO. 46.

On motion of Senator Carter, the constitutional rule requiring bills to be read

26—S

on three several days was suspended and House bill No. 46 was put on its second reading by the following vote:

Yeas—22.

Bailey of De Witt.	Lattimore.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Warren.
Darwin.	Watson.
Gibson.	Westbrook.
Greer.	Wiley.
Harley.	Willacy.

Nays—1.

Townsend.

Present—Not Voting.

McNealus.

Absent.

Astin. McGregor.
Hudspeth.

Absent—Excused.

Clark. Real.
Johnson.

The Chair laid before the Senate, on its second reading,

House bill No. 46, A bill to be entitled "An Act relating to development of minerals on public lands."

The Senate rule requiring committee reports to lie over for one day was suspended for the purpose of considering this bill (see Appendix for committee report).

The committee report, which provided that the bill be not printed, was adopted.

The bill was read second time and was passed to a third reading.

On motion of Senator Carter, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—25.

Astin.	Lattimore.
Bailey of De Witt.	Morrow.
Bailey of Harris.	Nugent.
Brelsford.	Oliver.
Carter.	Taylor.
Collins.	Terrell.
Conner.	Townsend.
Cowell.	Warren.
Darwin.	Watson.
Gibson.	Westbrook.
Greer.	Wiley.
Harley.	Willacy.
Hudspeth.	

Present—Not Voting.

McNealus.

Absent.

McGregor.

Absent—Excused.

Clark.

Real.

Johnson.

The bill was read third time and was passed by the following vote:

Yeas—19.

Bailey of De Witt.	Lattimore.
Brelstord.	Morrow.
Carter.	Nugent.
Conner.	Oliver.
Cowell.	Terrell.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Wiley.
Harley.	Willacy.
Hudspeth.	

Nays—4.

Collins.	Townsend.
Taylor.	Westbrook.

Present—Not Voting.

McNealus.

Absent.

Astin.

McGregor.

Bailey of Harris.

Absent—Excused.

Clark.

Real.

Johnson.

Senator Carter moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

SENATE BILL NO. 46.

(Pending Business.)

The Chair laid before the Senate, as pending business, Senate bill No. 46, action being on the pending amendment by Senator Watson, and the same was withdrawn.

Senator Watson offered the following amendment:

Amend the bill as printed in the Journal, Article 7435, page 384, in the fourth (4th) line from the bottom in column 1, by inserting the word "before" between the words "and" and "the," the word "before" and amend the bill, same page, line 11, in second column, by adding after the word "week" the following: "or after 12 o'clock midnight and

between that hour and 5 o'clock a. m. of the following morning of any week day."

Amend the bill, same page and column, line 25, by adding after the word "week" the following: "or after 9:30 o'clock p. m., and between that hour and 6 o'clock a. m. of the following morning of any week day."

Amend the bill, page 385, of the Journal, line 4, column 1, after the word "week" the following: "or after 9:30 o'clock p. m. and between that hour and 6 o'clock a. m. of the following morning of any week day."

Senator Townsend offered the following substitute for the amendment:

Substitute for Article 7435.

Any person or persons other than a corporation, or club, of any kind, or character, desiring to obtain a retail liquor dealer's license in this State, or a retail malt dealer's license, shall, before filing a petition for such license with the county judge as provided by this act, make application under oath to the Comptroller of Public Accounts of this State for a permit to apply for a license to engage in such business, which application shall be in form substantially as follows:

To the Comptroller of Public Accounts:

I, or we, ——— and ———, of the county of ———, State of Texas, do hereby apply for a permit to apply for a license to engage in the business of retail liquor dealer, or dealers (or retail malt dealer or dealers), under the laws of this State, said business to be conducted at No. ——— Street——, in the incorporated city or town of ———, justice precinct No. ———, in the county of ———, State of Texas; that the house where such business is to be conducted is not a place where any lodge, club, society or association meets or holds any of its meetings nor is it situated upon the premises of any club, lodge, association or society; that it is not within two miles of the city limits of any incorporated city or town, if outside the limits of said incorporated city or town; that there is now no statute or ordinance of the city in force prohibiting the retail sale of liquors in said place; that I, or we, have resided for the past two years in ——— county, State of Texas, and during said time have engaged in the business of ———; that I am, or we are, bona fide American citizens in possession of final naturalization papers, if foreign born, not disqualified under the laws of this State

from engaging in the proposed business, and that no other person or corporation is in any manner interested in or to be interested in the proposed business, and that I, or we, since the eleventh day of July, A. D. 1913, have not, as owner, nor as representative, agent or employe of any other person, kept open any saloon or place of business where spirituous, vinous or malt liquors or medicated bitters capable of producing intoxication were sold, nor aided nor advised any other person in selling in or near any such house or place of business, any such liquor after 9:30 o'clock p. m. on Saturday and between that hour and 6 o'clock a. m. of the following Monday morning of any week, or after 9:30 p. m., and between that hour and 6 o'clock a. m. the following morning of any week day, nor have I, or we, since that day, either in person or by agent or employe, sold or permitted to be sold or given away, in or near, any such house or place of business any spirituous, vinous or malt liquors or medicated bitters capable of producing intoxication to any person under the age of twenty-one years, or to any student of any institution of learning or to any habitual drunkard, after having been notified in writing through the sheriff or other peace officer, by the wife, sister, brother, father, mother, son or daughter of any such person, not to sell to such habitual drunkard; or permitted any person under the age of twenty-one years to enter and remain in such house or place of business; or permitted any games prohibited by the laws of this State to be played, dealt or exhibited in or about such house or place of business, or rented or let any part of the house or place of business in which said business was conducted, to any person or persons for the purpose of conducting any game or games prohibited by the laws of this State; or sold or given away any adulterated or impure liquors of any kind, or sold or permitted to be sold, aided or advised in selling under a retail malt dealer's license, any other liquors than those defined by the laws as "malt liquors."

And if the permission herein sought to be granted and the said retail license be issued, I, or we, will not, either in person or by agent, employe or representative during the year for which such license shall run, keep open house or place where liquor shall be sold under such license, or transact any business in such house or place of business after 9:30 o'clock p. m. on Saturday and be-

tween that hour and 6 o'clock a. m. on the following Monday of any week, or after 9:30 p. m. and between that hour and 6 o'clock a. m. the following morning of any week day; or sell in or near any such place of business or give away or permit to be given away any spirituous, vinous or malt liquors or medicated bitters capable of producing intoxication to any person under the age of twenty-one years, or to any student of any institution of learning, or to any habitual drunkard, after having been notified in writing by the wife, mother, father, daughter, son or brother or sister not to sell such habitual drunkard; or permit any person not over the age of twenty-one years to enter and remain in such house or place of business; or permit any game prohibited by the laws of this State to be played, dealt or exhibited in or about such house or place of business, or rent or let any part of the house or place of business in which such business is conducted to any person or persons, for the purpose of conducting any game or games prohibited by the laws of this State; or sell or give away impure liquor or adulterated liquors of any kind; and if the application be for a retail "malt dealer's" license, it shall further state that he or they, under the said license, will not sell any other liquors than those defined by law as "malt liquors" or sold or given away or permitted to be sold, aided or advised in selling or giving away any spirituous, vinous or malt liquors or medicated bitters capable of producing intoxication on any election day; or sold either in person or by agent, representative or employe, any spirituous, vinous or malt liquors or medicated bitters capable of producing intoxication, to any house of ill fame, house of prostitution, house of assignation, or to any landlord, landlady, inmate, porter or employe thereof to be drunk in or about such house of ill fame, house of prostitution, house of assignation, or permit any prostitute or woman of ill fame to enter or remain in or about such house or place of business; or rent or sub-rent any part of such house or place of business to any woman or women of ill fame; or permit any door, window or other open communication between my place of business and any adjoining house or room on either side of my said place of business.

And it is hereby agreed that if the license to be applied for is issued it shall be upon the condition that it shall remain in force only so long as I, or we,

observe and carry out each and all of the statements herein made; and in the event I, or we, violate any of the promises to do or perform any one or more of the acts which it is herein declared shall not be done, or that we shall violate any law of the State of Texas, or any ordinance of any city, regulating the sale of intoxicating liquors, that either the county judge or the Comptroller of Public Accounts of the State of Texas, in the manner provided in this act, may rescind, cancel and annul the said State and county license granted in pursuance of this application and that all moneys paid for such license shall be forfeited to the State and county or city to whom paid; and that I, or we, will at once, upon the cancellation of such license, close up the place where such business is being conducted, and cease to do such business, and will not again, either as owner, agent, representative or employe of any other person, attempt to enter into or engage in the retail liquor business, unless the order of the Comptroller canceling and rescinding such license shall be annulled in case such license shall have been canceled by the Comptroller.

Sworn to and subscribed before me, a notary public within and for the county of..... State of Texas, by....., on this the..... day of....., A. D. 191...

(L. S.)

(Signature of officer.)

That upon receiving such application it shall be the duty of the Comptroller to file the same and keep it as a permanent record in his office, to examine and act upon the same, and if he is satisfied that such applicant is entitled to such permit, and that he is a law-abiding, property and poll tax paying citizen of the State of Texas, and in possession of his final naturalization papers, if a foreign born citizen, he shall, upon the payment to him by the applicant of \$2, issue to him such permit, under his hand and the seal of his office, which, together with a copy of such application, duly certified to under the hand and seal of the Comptroller, shall be delivered by him to the applicant, and the said permit, together with the certified copy of said application, shall be filed with the county judge, together with a petition for license to be filed with the county judge, and shall remain a permanent record in the office of the county judge, and no petition for

license shall be entertained or granted by the county judge until said certified copy and permit have been filed with him by the applicant.

Senator Watson made the point of order upon the substitute offered by Senator Townsend for Article 7435 of the Revised Civil Statutes, that the substitute is out of order because it did not conform to the message of the Governor authorizing legislation to be considered at this called session; referring to the Governor's message dated August 12, Article 26, stating that by the message the Legislature was restricted to changing the civil law so that the hours therein might conform to the penal law.

The Chair ruled that the Governor having submitted amendments to Articles 7435, 7442, 7451 and 7452 of the Revised Civil Statutes of Texas cannot specifically limit the Legislature to such amendments as he may suggest, but thereby opens said articles to any amendments that the Legislature may see proper to make.

Senator Watson moved to table the substitute, which motion was adopted by the following vote:

Yeas—15.

Astin.	Lattimore.
Bailey of De Witt.	McGregor.
Bailey of Harris.	Nugent.
Conner.	Oliver.
Darwin.	Terrell.
Gibson.	Watson.
Harley.	Willacy.
Hudspeth.	

Nays—11.

Brelsford.	Taylor.
Carter.	Townsend.
Collins.	Warren.
Greer.	Westbrook.
Johnson.	Wiley.
McNealus.	

Absent.

Morrow.

Absent—Excused.

Real.

PAIRED.

Senator Cowell (present), who would vote "nay," with Senator Clark (absent), who would vote "yea."

REASON FOR VOTE.

I vote "yea" to table the amendment by Townsend for the reason that the amendment if adopted would defeat a 9:30 closing law that we are pledged to and ought to pass.

NUGENT.

The amendment by Senator Watson was adopted.

Senator Watson offered the following amendments separately, which were read and adopted.

(1) Amend the bill, Article 7442, page 385, in the sixteenth line from the bottom of column two by adding after the word "week" the following: "or after 9:30 p. m. and between that hour and 6 o'clock a. m. of the following morning of any week day."

(2) Amend the bill, page 286, column 1, line 6 from the bottom, Article 7451, as printed in the Journal, by adding after the words "six o'clock a. m." the following: "of the following morning."

(3) Amend the bill as printed in the Journal, page 386, column 1, line 9 from the bottom, by adding after the word "week" the following: "or after 9:30 p. m. and between that hour and 6 o'clock a. m. of the following morning of any week day."

HOUSE MESSAGE.

Hall of the House of Representatives,
Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has adopted the Free Conference Committee report on House bill No. 13 by the following vote: Yeas, 103, nays 4.

The House does not concur in Senate amendments to House bill No. 29, and requests a Free Conference Committee. The following members on the part of the House have been appointed: Messrs. Wortham, Hill, Kirby, Goodner, Woods of Navarro.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

SIMPLE RESOLUTION.

By Senator Hudspeth:

Whereas, The Hon. Marshall Hicks, formerly a distinguished member of this body and the only one who had the physical strength and moral courage to speak twenty-four hours without ceasing on this floor; therefore be it

Resolved, That he be invited to address the Senate and the courtesies be extended him.

HUDSPETH,
WILLACY.

The resolution was read and adopted, and ex-Senator Hicks was escorted to the President's stand, and thanked the Senate for the courtesy.

HOUSE BILL NO. 29—FREE CONFERENCE COMMITTEE ON.

Senator Willacy offered the following motion.

"I move that the request of the House for Free Conference Committee on House bill No. 29 be granted, and that the following be appointed as conferees on part of the Senate: Senators Cowell, Brelsford, Collins, Lattimore and Hudspeth. The above motion was read and adopted.

HOUSE BILL NO. 40—FREE CONFERENCE COMMITTEE ON.

Senator Conner made the following motion:

"I move that the following members of the Senate be appointed a Conference Committee on House bill No. 40: Senators Gibson, Nugent, Bailey of De Witt, Townsend and Watson.

The above motion was read and adopted.

SENATE BILL NO. 46.

(Pending Business.)

Action recurred on the pending business, Senate bill No. 46, the question being on engrossment.

(President Pro Tem. Carter in the chair.)

Pending discussion, Senator Wiley offered an amendment, which was adopted, but later moved to rescind the action on same, which motion prevailed.

The bill, having been read, was passed to engrossment.

On motion of Senator Lattimore, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—27.

Astin.	Darwin.
Bailey of De Witt.	Gibson.
Bailey of Harris.	Greer.
Brelsford.	Harley.
Carter.	Hudspeth.
Collins.	Johnson.
Conner.	Lattimore.
Cowell.	McGregor.

McNealus.	Warren.
Nugent.	Watson.
Oliver.	Westbrook.
Taylor.	Wiley.
Terrell.	Willacy.
Townsend.	

Absent.

Morrow.

Absent—Excused.

Clark.

Real.

The bill was read third time and passed by the following vote:

Yeas—28.

Astin.	Lattimore.
Bailey of De Witt.	McGregor.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Collins.	Oliver.
Ccner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Harley.	Westbrook.
Hudspeth.	Wiley.
Johnson.	Willacy.

Absent—Excused.

Clark.

Real.

Senator Lattimore moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

SENATE BILL NO. 36.

(By Unanimous Consent.)

The Chair laid before the Senate, on second reading,

Senate bill No. 36, local road law for Kaufman county.

The committee report was adopted.

Senator Warren offered the following amendments, separately, which were read and adopted:

Amend Section 1 of the bill by striking out all of Section 1 and insert in lieu thereof the following:

Section 1. That Sections 2 and 12 of "An Act to authorize and empower Kaufman county, or any political subdivision of said county, by a vote of a two-thirds majority of the resident property tax payers, qualified voters of said county, or political subdivision thereof, voting thereon, to issue bonds to any amount, not exceeding one-fourth of the

assessed valuation of the real property of such county, or of such political subdivision, and to levy and collect taxes to pay the interest on such bonds and to provide a sinking fund for the redemption thereof, for the purpose of constructing, maintaining and operating macadamized, graveled or paved roads and turnpikes and prescribing ways and means of conducting and supervising such work," be repealed, and that Sections 8, 9 and 40 of said act be amended so that said sections respectively of said act adopted at the Regular Session of the Thirty-third Legislature shall hereafter read as follows:

Sec. 2. Section 2 of said act is hereby repealed.

Section 8. Bonds issued under the provisions hereof shall bear interest not to exceed 5 per cent annually and shall mature and become due and payable at not exceeding forty years from the date of issuance, and the county shall reserve the option of redemption at face value and accrued interest at any interest paying period after ten years from the date of issuance thereof; and the time of maturity and the privilege of option shall be stated in the face of such bonds; such bonds shall be passed upon and approved by the Attorney General and registered by the Comptroller of Public Accounts of the State, as in the case of county bonds issued under the general laws of this State, and said bonds shall not be sold for less than par and accrued interest.

Section 9. It shall be the duty of the commissioners court at the same time it makes its order for the issuance of any bonds hereunder, and annually thereafter to levy a tax sufficient to pay the interest on such bonds and produce a sinking fund sufficient to pay the bonds at maturity, upon all property, real, personal, tangible or intangible, situated, held or owned within such county, or political subdivision, which tax when collected shall be used only as hereinafter provided.

Section 12. Section 12 of said act is hereby repealed.

Section 40. The provisions of this act are and shall be held and construed as cumulative of all general laws of the State of Texas on the subjects treated of herein, and of the special road laws of Kaufman county.

Sec. 2. The crowded condition of the calendar, and the near approach of this session of the Legislature, creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several

days be suspended and that this act take effect and be in force from and after its passage, and it is so enacted.

Amend the caption of the bill by striking out all after the words "A bill to be entitled" and insert in lieu thereof the following: "An Act to repeal Sections 2 and 12 of an act to authorize and empower Kaufman county, or any political subdivision of said county, by a vote of a two-thirds majority of the resident property taxpayers, qualified voters of said county, or political subdivision thereof, voting thereon, to issue bonds to any amount, not exceeding one-fourth of the assessed valuation of the real property of such county, or of such political subdivision, and to levy and collect taxes to pay the interest on such bonds and to provide a sinking fund for the redemption thereof, for the purpose of constructing, maintaining and operating macadamized, graveled or paved roads and turnpikes, and prescribing ways and means of conducting and supervising such work, and to amend Sections 8, 9 and 12, respectively, of said act as adopted at the Regular Session of the Thirty-third Legislature of 1913, and declaring an emergency."

The bill was read second time and passed to engrossment.

On motion of Senator Warren, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—28.

Astin.	Lattimore.
Bailey of De Witt.	McGregor.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Collins.	Oliver.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Harley.	Westbrook.
Hudspeth.	Wiley.
Johnson.	Willacy.

Absent—Excused.

Clark. Real.

The bill was read third time and passed by the following vote:

Yeas—28.

Astin.	Brelsford.
Bailey of De Witt.	Carter.
Bailey of Harris.	Collins.

Conner.	Morrow.
Cowell.	Nugent.
Darwin.	Oliver.
Gibson.	Taylor.
Greer.	Terrell.
Harley.	Townsend.
Hudspeth.	Warren.
Johnson.	Watson.
Lattimore.	Westbrook.
McGregor.	Wiley.
McNealus.	Willacy.

Absent—Excused.

Clark. Real.

Senator Warren moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

MOTION RELATIVE TO ADJOURNMENT.

Senator Westbrook made the following motion:

I move that when the Senate recess that we recess until 8 o'clock p. m., and that when we convene we consider only House bills and Senate local bills.

The motion was read and Senator McGregor moved to table the motion, which motion was lost.

Senator McGregor moved to amend the motion by "when the Senate do adjourn, that it be until 10 o'clock Monday morning."

Action recurred on the amendment, and the same was adopted by the following vote:

Yeas—14.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Oliver.
Cowell.	Warren.
Gibson.	Wiley.
Hudspeth.	Willacy.

Nays—12.

Carter.	Nugent.
Collins.	Taylor.
Darwin.	Terrell.
Greer.	Townsend.
Johnson.	Watson.
Lattimore.	Westbrook.

Absent.

Conner. Harley.

Absent—Excused.

Clark. Real.

The motion, as amended, was adopted.

HOUSE BILL NO. 87.

On motion of Senator Gibson, the constitutional rule requiring bills to be read on three several days was suspended and House bill No. 87 put on its second reading by the following vote:

Yeas—26.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hudspeth.	Westbrook.
Johnson.	Wiley.
Lattimore.	Willacy.

Absent.

Conner. Harley.

Absent—Excused.

Clark. Real.

The Chair laid before the Senate, on second reading.

House bill No. 87, amending Riding Common School District in Fannin county.

The Senate rule requiring committee reports to lie over for one day was suspended for the purpose of considering this bill (see Appendix for committee report).

The committee report, which provided that the bill be not printed, was adopted.

The bill was read second time and was passed to a third reading.

On motion of Senator Gibson, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—26.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hudspeth.	Westbrook.
Johnson.	Wiley.
Lattimore.	Willacy.

Absent.

Conner. Harley.

Absent—Excused.

Clark. Real.

The bill was read third time and passed by the following vote:

Yeas—27.

Astin.	McGregor.
Bailey of De Witt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Carter.	Oliver.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Harley.	Westbrook.
Hudspeth.	Wiley.
Johnson.	Willacy.
Lattimore.	

Absent.

Conner. Absent—Excused.

Clark. Real.

Senator Gibson moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

ADJOURNMENT.

Senator Terrell asked unanimous consent for consideration of Senate bill No. 41, and there was objection, and

Senator Terrell moved that the regular order of business, Senate bill No. 10, be suspended and that the Senate take up, out of its order, Senate bill No. 41.

Pending discussion,

Senator Lattimore, at 6:45 o'clock p. m., moved that the Senate adjourn until 10 o'clock Monday morning, which motion was adopted.

APPENDIX.

BILLS SIGNED BY THE CHAIR.

The Chair, Lieutenant Governor Mayes, gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following bills:

Senate bill No. 26, "An Act to amend

Article 6002, Title 97, Revised Statutes of Texas, 1911, providing for the appointment of notaries public, and declaring an emergency."

House bill No. 72, "An Act to amend and re-enact Article 5585 and Article 5588, Title 83, Chapter 3, of the Revised Civil Statutes of Texas, relating to seawalls and breakwaters, and declaring an emergency."

House bill No. 27, "An Act to amend Title 76, Articles 5221, 5222, 5223, 5224, 5225, 5226, 5227, 5228, 5229, 5230, 5231, 5232, 5233 and 5234, of the Revised Civil Statutes of 1911, concerning the management and control of the State Institution for the Training of Juveniles, and to add thereto Articles 5234a and 5234b.

COMMITTEE REPORTS.

Committee Room,
Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Insurance, Statistics and History, to whom was referred

Senate bill No. 49, A bill to be entitled "An Act amending Chapters 104 and 106 of the General Laws of the Regular Session of the Thirty-third Legislature so as to permit the use of the co-insurance clause in policies of insurance at the option of the assured or property owner, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be not printed.

WATSON, Chairman.

(Floor Report.)

Austin, Texas, August 13, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Public Lands and Land Office, to whom was referred

Senate bill No. 54, A bill to be entitled "An Act to validate certain settlement on and purchase of public free school land, and declaring an emergency,"

Have had the same under consideration, and beg leave to report the same back to the Senate with the recommendation that it do pass, and be not printed.

Hudspeth, Chairman; Westbrook, Collins, Brelsford, Wiley, Bailey of De Witt.

Committee Room.

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Judiciary Committee No. 1, to whom was referred

Senate bill No. 51, A bill to be entitled "An Act to amend Article 611, Title 18, Chapter 1, of the Revised Civil Statutes of the State of Texas, relating to the maturities of county bonds, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be not printed.

MORROW, Chairman.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Judiciary Committee No. 1, to whom was referred

House bill No. 46, A bill to be entitled "An Act to amend Sections 3, 4 and 10 of Chapter 173 of the Acts of the Regular Session of the Thirty-third Legislature of the State of Texas, approved April 9, 1913, relating to the development of minerals in public lands,"

Have had the same under consideration, and beg leave to report same back to the Senate with the recommendation that it do pass, and be not printed.

Morrow, Chairman; Wiley, Carter, Greer, Watson, Brelsford, Hudspeth.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Federal Relations, to whom was referred

House bill No. 63, A bill to be entitled "An Act authorizing the city of Nacogdoches, a municipal corporation, to sell the United States of America a portion of the Main plaza for a Federal building site, and declaring an emergency,"

Have had the same under consideration and beg leave to report the same back to the Senate with the recommendation that it do pass, and be not printed.

Westbrook, Chairman; Oliver, Warren, Hudspeth.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Educational Affairs, to whom was referred

House bill No. 87, A bill to be entitled "An Act dividing Ridings Common School District No. 95, in Fannin county, Texas, into two common school districts, to be known as 'Ridings Common School District No. 95' and 'Finley Common School District No. 126,' by a line running east and west across said Ridings Common School District No. 95, so as to give to each of the newly created common school districts about an equal number of square miles of territory, and declaring an emergency,"

Have had the same under consideration and beg leave to report the same back to the Senate with the recommendation that it do pass and be not printed.

Darwin, Acting Chairman; Harley, Cowell, Astin, Gibson.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: We, your Committee on Roads, Bridges and Ferries, to whom was referred

Senate bill No. 52, A bill to be entitled "An Act to amend Article 632, Title 18, Chapter 2 of the Revised Civil Statutes of the State of Texas, relating to the issuance of road bonds, and declaring an emergency,"

Have had same under consideration, and beg to report it back to the Senate with the recommendation that it do pass, and be not printed.

Terrell, Chairman; Taylor, Westbrook, Harley.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Roads, Bridges and Ferries, to whom was referred

House bill No. 73, A bill to be entitled "An Act to create a more efficient road system for Galveston county, Texas, and making county commissioners precinct road commissioners of their respective precincts; providing their compensation; defining their powers and duties, and declaring an emergency,"

Have had same under consideration, and beg to report same back to the Senate with the recommendation that it do pass, and be not printed.

Terrell, Chairman; Taylor, Westbrook, Townsend, Morrow, Harley, McNealus.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Insurance, Statistics and History, to whom was referred

Senate bill No. 50, A bill to be entitled "An Act repealing Chapter 105 of the General Laws of the Regular Session of the Thirty-third Legislature,"

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

WATSON, Chairman.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Educational Affairs, to whom was referred

House bill No. 65, A bill to be entitled "An Act creating the Belcher Independent School District in Montague county, Texas; defining its boundaries; providing for a board of trustees to manage and control public free schools within said district; divesting the city of Belcher of the control of its public free schools, and the title of all properties now held and used for public free school purposes; investing said district with the rights, powers, privileges and duties of a town or village incorporated for free school purposes only under the General Laws of this State, and declaring an emergency,"

Have had the same under consideration, and beg leave to report it back to the Senate with the recommendation that it do pass and be not printed.

Darwin, Acting Chairman; Cowell, Astin, Gibson, Harley, Wiley.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Educational Affairs, to whom was referred

Senate bill No. 57, A bill to be entitled "An Act creating the Gonzales Independ-

ent School District in Gonzales county, Texas; defining its boundaries; providing for a board of trustees to manage and control the public free schools within said district; divesting the city of Gonzales of the control of its public free schools, and the title of all property now held and used for public school purposes; investing said district with the rights, powers, privileges and duties of a town or village incorporated for free school purposes only under the general laws, and declaring an emergency."

Have had the same under consideration, and beg leave to report it back to the Senate with the recommendation that it do pass and be not printed.

Darwin, Acting Chairman; Cowell, Wiley, Gibson, Astin, Harley.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Judicial Districts, to whom was referred

Senate bill No. 56, A bill to be entitled "An Act to change and prescribe the time for holding district court in the Thirty-eighth Judicial District of Texas, and to repeal all laws in conflict herewith, and declaring an emergency."

Have had the same under consideration, and beg leave to report same back to the Senate with the recommendation that it do pass and be not printed.

Carter, Chairman; Bailey of Harris, Taylor, Nugent, Collins, Morrow.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Judiciary Committee No. 2, to whom was referred

House bill No. 57, A bill to be entitled "An Act to amend Chapter 1, Title 11, of the Revised Civil Statutes of this State of 1911, relating to attachments, by adding thereto Article 247a, providing for the issuance of attachments in suits founded in tort and upon unliquidated demands, and providing for the fixing of the amount of bond in such cases, and declaring an emergency."

Have had the same under consideration, and beg leave to report the same back to the Senate with the recommendation that it do pass, and be not printed.

Conner, Chairman; Oliver, Nugent, McGregor, Bailey of Harris, Westbrook, Brelsford, Townsend, Carter.

(Floor Report.)

Austin, Texas, August 14, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Judiciary Committee No. 2, to whom was referred

House bill No. 9, A bill to be entitled "An Act to regulate and supervise the sale and purchase in this State of stocks of private, foreign and domestic corporations organized for profit which propose to increase their capital stock; and to regulate and supervise the sale and purchase in this State of stocks of private, foreign and domestic corporations being organized and hereafter organized or proposed to be organized for profit and to regulate and supervise the offering or contracting for sale and purchase of such stock of such corporation or proposed corporation, and to fix commission and promotion fees allowed to be and providing for service of process examining fees, and exempting certain corporations from the effect of this act; providing penalty for the violation of the provisions of this act, and declaring an emergency."

Have had the same under consideration, and beg leave to report the same back to the Senate with the recommendation that it do pass, with the following amendments:

(1)

Amend the caption of the bill by striking out all after the words "A bill to be entitled" down to and including the word "emergency," and inserting in lieu thereof the following: "An Act to regulate and supervise the sale and purchase in this State of all stocks, bonds or other obligations, or private, foreign and domestic corporations or associations, in the organization and promotion thereof, organized or proposed to be organized for profit; and to regulate and supervise the offering or contracting for sale and purchase of such stocks, bonds or other obligations of such corporations, proposed corporations or associations; defining 'promoters,' 'securities' and 'trustees,' fixing commission and promotion fees allowed to be charged; providing for examination fees; providing a penalty for the violation of the provisions hereof, exempting certain corporations, and declaring an emergency."

(2)

Amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Section 1. Every private corporation or association, foreign or domestic, which has been, is now being, may hereafter be, or attempted to be organized for profit, which shall, directly or indirectly, through itself, its agents or employees, or through any person or association of persons, holding companies, sale companies, all of which are hereinafter referred to and called "promoters"—in this State, sell or contract to sell any stocks or other obligations of such corporation, proposed corporation or association, all of which are hereinafter referred to as "securities" in the organization of which, or promotion thereof, any part of the proceeds to be derived therefrom are to be used, directly or indirectly, for the payment of any commission, promotion fee or organization fee, or other expenses incident, directly or indirectly, to the organization or promotion of such corporation or association, except attorney's fees, charter fees and permit fees, shall be subjected to this act.

Sec. 2. Such promoters shall, before offering for sale or contracting to sell, directly or indirectly, any securities for the purpose of organizing any corporation, foreign or domestic, or association under the laws of this State, make and enter into a contract with one or more banks, trust companies, or banks and trust companies, authorized to do business in this State, hereinafter referred to as trustee or trustees having a capital stock of not less than twenty-five thousand dollars, and which shall have been in business in this State for at least one year prior thereto, to act as trustee or trustees for the collection of all moneys or things of value for which such securities are sold or exchanged, and shall print, or cause to be printed, in addition to any other matter on such securities, the following: "All payments in cash for this security must be made to the (here name the trustee), located at (here give the exact location of such trustee), by check, draft or money order." And if property other than cash is taken or exchanged for said securities, such securities shall further state: "And all other property than cash taken in exchange for this security shall be payable to, transferred or conveyed to, this bank or trust company (as the case may be), as trustee." Such security shall also contain the written consent of the trustee to act as such trustee for the collection and distribution of all moneys or property for which this security is sold or exchanged, as follows: "We hereby agree to act as

trustee for the collection and distribution of all moneys or other property for which this security is sold" (to which must be written or printed in the name of the trustee).

Sec. 3. All agreements or contracts with any such trustee to act as such trustee must be in writing; and within five days after such agreement or contract is made such trustee shall forward, by registered mail, to the Commissioner of Banking and Insurance of this State a certified copy thereof, together with a fee of five dollars; which said contract shall be by said Commissioner filed and properly indexed in a convenient form for future reference. And if such trustee is a bank or trust company organized under the laws of this State, said Commissioner shall have the same supervision over it as he would have over any other contract or obligation by such bank or trust company. If such trustee is under the supervision of any other department of the State, then said Commissioner shall be furnished with two copies, one of which he shall forward to the proper authorities for the supervision of such corporation in this State, and the other he shall file as herein provided for banks and trust companies, or banks, organized under the laws of this State.

Sec. 4. The agents or persons selling such securities shall not be permitted to collect, in his or their own name, any part of the proceeds for which such securities are sold or exchanged, but all such payments shall be made direct to such trustees by check, draft, money order or note, payable to such trustee, or by proper transfer or conveyance.

Sec. 5. Such trustee shall be authorized to pay, as and when collected in cash or notes or other property for which such stock has been sold, to the promoter on each individual sale, only that portion of such securities to be paid for promotion fees, which in no instance shall exceed 20 per cent, including all expenses relating to such organization or incorporation; the balance, as and when collected, shall be paid by it to the trustees or directors of such corporation or association; provided, that no money other than promotion fees shall be paid, or property transferred or conveyed by the trustee to any one until after the charter has been granted, or permit to do business in this State, if a foreign corporation, has been obtained; and, provided, further:

(a) When a sufficient amount of money has been collected and the re-

quired amount of stock has been subscribed for, to authorize the incorporation thereof, or the granting of a permit to do business in this State, under the laws of this State, then such trustee shall, as and when any charter or permit is applied for, address an itemized statement under oath by one of its active executive officers, to the Secretary of State, the said trustee; the total sum for which same were sold, the amount of money paid to the promoters, and the amount of money then on deposit with such trustee to the credit of said proposed corporation or association.

(b) If property of any kind is taken in lieu of cash, the Secretary of State shall at once examine such property so taken, in person or by a duly authorized agent, and for such services the Secretary of State shall be paid a fee of ten dollars per day for the time required to make such examination, together with all necessary hotel bills and traveling expenses. If in all other respects the laws of this State have been complied with, and the Secretary of State is satisfied from such examination that the total value of such property is worth the amount of money for which the same was taken, the Secretary of State shall grant such charter or permit to do business in this State; but if not satisfied, then he shall refuse to grant such charter or permit.

(c) Nothing herein, however, shall prevent such promoters from bringing suit by mandamus, as in other such suits, in the district court of Travis county, Texas, to require the Secretary of State to grant such charter or permit; and if it be determined by final judgment in such suit that the promoters have complied with all the requirements of this act and all other laws of this State relative to the organization of such organization or association, then the Secretary of State shall grant such charter or permit.

Sec. 6. After such charter or permit has been granted, such trustee shall then convey or transfer, by proper conveyance or transfer all property so received by it up to that time to said corporation or association; provided, that should property of any kind be taken for promotion fees in lieu of cash, such property shall not be taken for a less sum than the same was taken by the promoters in exchange for such securities.

Sec. 7. This act shall apply as well to securities sold after such charter or permit is granted as before, or to the

increase of the capital stock of any corporation or association; provided, such securities are sold in the promotion thereof and out of which a promotion fee is paid, and by "promotion" is meant the organization or increase of the capital stock of such corporation or association; provided further, that such trustee or trustees may, after the charter or permit is granted, pay any moneys, as and when collected, from the sale of such securities; but any other property received by such trustee or trustees shall be conveyed or transferred to such corporation or association only after report has been made to and acted upon by the Secretary of State as provided in Subdivisions (a), (b) and (c) of Section 5 of this act. Such corporation or association and such trustee or trustees may at any time within two years after such charter or permit is granted make such report, and if this law has been complied with, such trustee or trustees shall then transfer or convey to such corporation or association the said property so held by it.

Sec. 8. Every such corporation or association shall, within two years after its charter or permit is granted, make report to the Secretary of State as is required by Article 1141 of the Revised Statutes of the State of Texas, and in addition to the requirements of said article, report to the Secretary of State, under oath made by the president, vice president or secretary, the amount of money paid for promotion, and to whom paid; and if in property other than cash, such report shall particularly describe such property, to whom it was transferred or conveyed, the amount of money for which such promoter or promoters accepted the same in exchange for such securities, and the amount of money for which such promoter or promoters or agent accepted the same as commission or promotion fees, and such report shall also be accompanied by the report of the trustee or trustees, as provided in Subdivision (a) of Section 5 of this act.

Sec. 9. Every foreign corporation, or proposed foreign corporation, or association, desiring to sell or contract to sell its securities in this State, in the promotion thereof and out of which a promotion fee is paid, shall first file with the Commissioner of Banking and Insurance of this State a like power of attorney to that provided for life insurance corporations in Article 4773, Revised Civil Statutes of the State of Texas of 1911, and service may be had

upon such corporations, or association, and the said commissioner as therein provided for; and said commissioner upon receipt of such process shall proceed as is provided in Article 4774, Revised Civil Statutes of the State of Texas of 1911; and the said commissioner's acts and conduct in regard to such power of attorney and such persons, shall be the same as is provided in said Articles 4773 and 4774, and the effect, force and result of such acts shall be the same as is herein provided.

Sec. 10. Provided, further, before any promoter, or promoters, shall sell or offer for sale any such securities in this State he or they shall make and enter into a good and sufficient bond, to be approved by the Commissioner of Banking and Insurance, in a sum equal to ten per cent of the amount of stock proposed to be sold, conditioned that should such promoter, or promoters, sell, trade or exchange any such securities in this State and should fail or refuse for any cause to incorporate or organize the corporation or association of the kind and character named on such security within two years after the making of such bond and deliver or cause to be delivered to any purchaser, or purchasers, have subscribed and paid for, or should such promoter, or promoters, make any false or fraudulent representations in or upon said securities, or in the authorized literature of such promoters, then and in that event such promoter or promoters shall and will return to such purchasers or subscribers any and all money which such purchasers or subscribers have paid upon such securities; provided further, should any subscriber or purchaser of such securities have transferred, sold or conveyed to such promoter or promoters, any property other than cash in exchange for such securities then said promoter, or promoters, shall reconvey, reassign or retransfer to such purchaser or subscriber all such property as they shall have assigned, transferred or conveyed; provided, further, that if said promoter, or promoters, shall have converted any such property so that they can not redeliver the identical property then he or they shall pay and refund to such purchaser, or purchasers, a sum of money equal to that for which said property was taken in the first instance in exchange for such proposed securities; provided, further, should such purchaser, or purchasers, be required to employ an attorney or attorneys to collect any such money so paid or to enforce the return

of any property given in exchange for such securities, then such purchaser shall recover an additional amount equal to ten per cent of the amount of cash paid or the sum for which any such property was taken in exchange for said securities; provided, an expression of opinion as to the probable value or worth of such securities, contingent upon future development or expansion of business shall not be considered cause for the return of money unless willfully made for the purpose of committing a fraud upon such purchaser.

Any suit or suits filed for the collection of any moneys or the return of any properties, as provided for in this section, may be filed in any court having jurisdiction within any county in this State where any one or more of such promoters or purchasers reside, or in any court in Travis county having jurisdiction.

Sec. 11. It shall hereafter be unlawful for any promoter, officer, agent or employe, or trustee, or holding company, or sales agents or persons, or associations of persons, in this State, to sell or offer to sell, or contract to sell, directly or indirectly, any securities, as defined in this act, of any corporation or association, or proposed corporation or association, subject to this act without first complying with the provisions of this act, or in violation of any provisions hereof; and any person so offending shall be guilty of a misdemeanor and upon conviction shall be fined not less than twenty-five dollars nor more than two thousand dollars, or may be imprisoned in the county jail for any period not more than one year, or by both such fine and imprisonment.

Sec. 11a. No foreign corporation which has sold any of its stock in this State shall obtain a permit to do business in this State unless and until it has at least 50 per cent of its capital paid up and the balance in good faith subscribed for.

Sec. 12. The terms of this act shall not apply to any national bank, nor to any corporation having a charter granted under any act of the Congress of the United States, nor to any State bank, bank and trust company or trust company organized under the laws of this State, nor to any corporation organized under the Federal reclamation act, approved June 17, 1902, or the regulations established by the Secretary of the Department of the Interior in pursuance thereof. Nor shall the terms of this act apply to any corporation or the promoters of any corporation organized under

the laws of Texas which does not sell or contract to sell its stock to more than twenty-five bona fide purchasers; provided, it does not act as the agent or trustee, holding company or sales company in the promotion of any concern which is included under the terms of this act. Nor shall this act apply to any railroad or railway company or interurban railroad or railway company, or street railroad or railway company. Nor shall this act apply to the sale of stock of a corporation by a bona fide owner of same, who had in good faith bought the same, and who in the purchase and sale of same was and is not acting, directly or indirectly, as promoter or agent of such corporation. Nor shall this act apply to a bona fide stock or stockholder in the sale of stock, which stock has been by such corporation sold and issued to a bona fide purchaser prior to the offering of same for sale by such broker; provided, that such purchaser or broker was not acting, directly or indirectly, as promoter of such corporation.

Sec. 13. This act shall be construed as cumulative of any law or laws of this State, and shall not be construed as repealing any law.

Sec. 14. The fact that there is no law in this State regulating the sale of stocks, bonds or obligations of numerous corporations which are selling such stock, bonds and other obligations throughout this State, many of which are worthless, and the fact that the people of this State are being imposed upon by unscrupulous persons selling such worthless stock, bonds and other obligations, creates an emergency and an imperative public necessity that the constitutional rule requiring that bills be read on three several days be suspended and that this act shall take effect and be in force from and after its passage, and it is so enacted.

Conner, Chairman; Clark, Carter, Brelsford, Bailey, Nugent, Oliver, McGregor.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Engrossed Bills have carefully examined and compared

Senate bill No. 57, A bill to be entitled "An Act creating the Gonzales Independent School District in Gonzales county, Texas; defining its boundaries; providing for a board of trustees to manage and control the public free schools within said district; divesting the city of Gonzales of the control of

its public free schools, and the title of all property now held and used for public school purposes; investing said district with the rights, powers, privileges and duties of a town or village incorporated for free school purposes only under the general laws, and declaring an emergency."

And find it correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Engrossed Bills have carefully examined and compared

Senate bill No. 48, A bill to be entitled "An Act to create a more efficient road system for Mason county, Texas, and declaring an emergency."

And find the same correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Engrossed Bills have carefully examined and compared

Senate bill No. 39, A bill to be entitled "An Act providing for the construction of necessary buildings for the University of Texas; for raising the necessary funds for such purpose by the creation of the University of Texas Building Fund out of the income of the permanent University endowment and other revenue producing funds out of the other sources of revenue from properties of the University and the issuance and sale of certificates against said University of Texas Building Fund so created; and authorizing the expenditure of the proceeds of said certificates in payment for the construction of the buildings authorized and permitted under the act; creating the Board of Building Commissioners, whose duty it is to supervise the construction of the necessary buildings under the act and the expenditure of the funds provided therefor, and further defining the duties and authority of said Board of Building Commissioners and fixing their salary; prescribing certain duties for carrying into effect the provisions of this act of the Governor of the State, the Attorney General, the Superintendent of Public Instruction, the President of the University of Texas and the President of the Board of Regents of the University of Texas, and conferring certain

authority upon the Board of Regents of the University of Texas; making an appropriation of funds derived from the sale of the certificates herein provided for, for the erection of the buildings and carrying out the provisions of this act, and declaring an emergency."

And find it correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Engrossed Bills have carefully examined and compared

Senate bill No. 53, A bill to be entitled "An Act to create a special district court for El Paso county, Texas, to be known as the Special District Court in and for El Paso county; to prescribe its jurisdiction; to limit its existence; to fix its terms, to conform all writs and process of said court to the district court of said county, and such changes as are made in the jurisdiction of said court by this bill; to empower the judge of said special district court and the judges of the Thirty-fourth Judicial District court and the Forty-first Judicial District court to transfer cases from their respective courts to this court; to provide for appointment of a judge for said special district court; to fix his salary and term of office, and declaring an emergency."

And find the same correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Engrossed Bills have carefully examined and compared

Senate bill No. 40, A bill to be entitled "An Act to amend Article 911 of the Penal Code of the State of Texas, as amended at the Regular Session of the Thirty-third Legislature, Chapter 135, page 268, Acts of the Thirty-third Legislature, so as to prevent taking fish or terrapin by drag seine during the breeding season and to prevent seining and netting in all passes leading from Texas bay waters into the Gulf of Mexico, and in all streams and canals leading from one body of salt water to another body of salt water in the State of Texas; to empower the Game, Fish and Oyster Commissioner to close waters against seining and netting under certain con-

ditions, and to prevent seining during the breeding season in salt waters, and providing penalty for the violation of this act, and declaring an emergency."

And find the same correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Engrossed Bills have carefully examined and compared

Senate bill No. 35, A bill to be entitled "An Act appropriating the sum of five thousand dollars, or so much thereof as may be necessary, to pay the contingent expenses of the First Called Session of the Thirty-third Legislature, and declaring an emergency."

And find the same correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Engrossed Bills have carefully examined and compared

Senate bill No. 33, A bill to be entitled "An Act to authorize and empower San Patricio county or any political subdivision or any defined district now or hereafter to be described and defined, of said county by a vote of a two-thirds majority of the resident property taxpayers, qualified voters of such county or political subdivision, or any defined district now or hereafter to be described and defined, thereof, voting thereon to issue bonds to any amount, not exceeding one-fourth of the assessed valuation of the real property of such county or of such political subdivision, or any defined district now or hereafter to be described and defined, and to levy and collect taxes to pay the interest on such bonds and to provide a sinking fund for the redemption thereof, for the purpose of constructing, maintaining and operating macadamized, gravelled or paved roads, and declaring an emergency."

And find it correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Engrossed

Bills have carefully examined and compared

Senate bill No. 34, A bill to be entitled "An Act to create and establish the county of Lott, in honor of Uriah Lott, taken from the existing territory of Duval county, prescribing its area and boundaries, providing that all laws and parts of laws in conflict herewith shall have no application, and declaring an emergency,"

And find it correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Enrolled Bills have carefully examined and compared

Senate bill No. 26, "An Act to amend Article 6002, Title 97, Revised Statutes of Texas, 1911, providing for the appointment of notaries public, and declaring an emergency." Be it enacted by the Legislature of the State of Texas:

Section 1. That Article 6002, Title 97, Revised Statutes of Texas, 1911, shall be amended so as to hereafter read as follows:

Article 6002. There shall be appointed by the Governor, by and with the advice and consent of the Senate, a convenient number of notaries public for each organized county, and not to exceed six notaries public for each unorganized county in this State, who shall hold their office for the term of two years from the first day of June after appointment at a regular session of the Legislature; provided, that the Governor, by and with the advice and consent of the Senate, may appoint additional notaries public at any special session of the Legislature, who shall hold their office until the first day of June succeeding the next Regular Session of the Legislature after their appointment; provided, that nothing herein shall be so construed as to exempt them from jury service.

Sec. 2. The fact that the numbers of notaries public now qualified are inadequate and that through mistake a number of notaries public recommended for appointment at the Regular Session failed of confirmation, creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days be suspended, and that this act take effect and be in force from and after its passage, and it is so enacted.

And find it correctly enrolled, and have this day at 4 o'clock p. m. presented same to the Governor for his approval.

GIBSON, Chairman.

Committee Room,

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Judiciary Committee No. 1, to whom was referred House bill No. 17, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and that it be printed in the Senate Journal.

MORROW, Chairman.

Following is the bill in full:

H. B. No. 17.

By Penry.

A BILL

To Be Entitled

An Act to provide for the incorporation and regulation of certain corporations generally known as building and loan associations, and for the government and control of the same; placing the same under the control and supervision of the Commissioner of Insurance and Banking; and providing for the admission into this State of foreign building and loan associations; and providing penalties for the violation of this act, and repealing all laws in conflict with this act, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. Any number of persons, not less than five, who are residents of this State, desiring to organize a building and loan association for the purpose of building and improving homesteads, removing incumbrances therefrom, and loaning money to the members thereof, may, by complying with the provisions of this act and entering into articles of association, become a corporate body. Said articles of association shall be signed by persons associating and acknowledged before some person authorized by the laws of this State to take acknowledgments to deeds, and shall set forth:

First. The name assumed by the association, which shall not be the same assumed by any other association incorporated under this act, nor so similar as to be liable to mislead.

Second. The purpose for which the association is formed.

Third. The amount of its authorized capital stock, and the number of shares into which it is divided, the par value of each share, and the number of shares subscribed for, which shall not be less than fifty in number.

Fourth. The names of the incorporators, their respective residences, and the number of shares subscribed by each.

Fifth. The term of its corporate existence, which shall not exceed fifty years.

Sixth. The name of the town, city or village in which such association is to be located.

Sec. 2. When executed as aforesaid, said articles of association shall be approved by, and filed with, the Secretary of State, and a copy thereof, duly authenticated under the hand and seal of State, shall be delivered to the Commissioner of Insurance and Banking, who shall file the same in his office, and a like copy thereof shall be recorded in the office of the clerk of the county court of the county in which the principal office of such association is located; whereupon the persons named in the articles of association, their associates and successors, shall become a corporate body for the period for which they were organized, and shall exercise such powers as are herein granted, and such other powers as are necessary to enable such association to carry out the purpose of its organization, not inconsistent with the provisions of this act; provided, that before such association shall proceed to business it shall adopt by-laws for the regulation and management of its business. Said by-laws shall not become operative until a copy thereof, duly certified by the president and secretary of the association, shall have been approved by and filed with the Commissioner of Insurance and Banking, and when so approved and filed the said Commissioner of Insurance and Banking shall issue his certificate of such approval and filing, and thereupon said association may proceed to business. The provisions of this act shall not apply to loan corporations heretofore incorporated under the laws of Texas loaning money on real estate, or improvements thereon, in cities of this State of more than thirty thousand inhabitants and not requiring the borrowers to be members thereof or holders of shares in such corporations, and which have been doing business for as long as ten years prior to the passage of this act.

Sec. 3. The corporate powers of every

building and loan association heretofore organized under the laws of this State, or which may be incorporated under this act, shall be exercised by a board of directors of not less than five (5) members, who shall elect from their own number the officers of the association. The mode of electing members of said board of directors and officers and their respective terms of office shall be prescribed in the by-laws.

Sec. 4. The secretary and treasurer of such association, and all other officers who sign and endorse checks, have charge of money or securities of such association, shall, before entering upon the duties of their office, each give such bond for the faithful performance of the same as shall be required and approved by the board of directors. Additional sureties or such increase of said bond as they may deem necessary, may be required at any time by the board of directors. Directors shall not be accepted as sureties on such bonds, and shall be individually liable for any loss sustained through their negligence or failure to comply with the provisions of this section.

Sec. 5. The authorized capital stock of such association shall be divided into shares having a par value of not less than twenty-five dollars, nor more than two hundred dollars, each, payable in periodical installments, called dues, not exceeding two dollars per month on each share; provided, that the by-laws may provide for the advance payment of installment dues and for which there may be issued an advance payment certificate. The shares may be issued in series, or at any time as the by-laws shall determine and subscriptions therefor shall be made payable to the association. Said shares shall be deemed personal property, transferable on the books of the association in the manner prescribed in the by-laws, and shall be paid off and retired as the by-laws shall direct. Every share shall be subject to a lien for the payment of unpaid dues and such other charges as may be lawfully incurred thereon under the provisions of this act, and the by-laws may prescribe the manner of enforcing such lien. New shares may be issued in lieu of shares matured, withdrawn, retired or forfeited; but at no time shall the shares issued and in force exceed the aggregate number of shares into which the authorized capital stock is divided as designated in the articles of the association; provided, further, that any building and loan association heretofore or hereafter incorporated under the laws of this State, may, by a

resolution adopted by a two-thirds vote of shares represented and voted at any annual meeting, or at any meeting called for that purpose, increase its authorized capital stock and shares, or amend its articles of association or by-laws, in any manner not inconsistent with the provisions of this act; but no such increase of authorized capital stock nor amendments shall have effect until a copy of such resolution, certified by the president and secretary of such association, shall be filed, approved and recorded in the same manner as is provided in Section 2 of this act for the filing and recording of original articles of association and the filing and approval of by-laws.

Sec. 6. At such times as the by-laws shall designate, not less frequently than once a month, the board of directors shall hold meetings, at which the funds in the treasury applicable for loans shall be loaned to the members, who, in open competition, shall bid the highest premium for priority of right to a loan; or in lieu thereof, such funds may be loaned, either with or without premium, as the borrower may, in writing, agreed to pay, in which case the priority of right to a loan shall be decided by the priority of the application therefor. The manner in which said premium may be paid shall be prescribed in the by-laws. No loans shall be made by such association to any one not a member thereof (except as hereinafter provided, nor to any member for an amount greater than the par value of the shares held by such member. Borrowers shall be required to give real estate security, unincumbered except by the prior liens held by such association, accompanied by a transfer and pledged to the association the shares borrowed upon as collateral security for the payment of the loan; provided, that no loan made upon real estate security shall exceed in amount two-thirds of the appraised valuation of such real estate; provided, further, that the shares of such association may be received as security for the loan of an amount not to exceed 90 per cent of the withdrawal value of such shares; provided further, that, subject to the approval of the Commissioner of Insurance and Banking, the number of payment of dues, interest and premium required from the borrowing stockholder to pay off his loan and secure a release of his encumbrance may be limited to such a definite number as the by-laws may provide; and provided, further, that when the funds in the treasury applicable for loans shall accumulate and be in excess of the amount required for loans

to members, they may be loaned to non-members upon real estate securities unincumbered by prior liens in an amount not to exceed 50 per cent of the appraised value of such securities, or may be invested in such securities as are authorized to be accepted by savings banks in this State, but at no time shall such loans and investment exceed 20 per cent of the assets.

Sec. 7. If the borrower neglects to offer security satisfactory to the board of directors within the time prescribed by the by-laws, his or her right to the loan shall be forfeited, and he or she shall be charged with interest or premium, if any, for one month, together with any expense incurred and the money appropriated for such loan may be reloaned at the next or any subsequent meeting.

Whenever a borrowing shareholder shall be in arrears in the payment of dues, interest or premium for more than four months the board of directors may, at their discretion, declare the pledged shares forfeited, and the whole amount of the loan due and payable, and its collection, together with the arrears of interest, premium and fines, may be enforced by proceedings upon the security held by the association, in accordance with law; provided, that the withdrawal value of the pledged shares, at the time of the commencement of the foreclosure proceedings, shall be credited upon the loan.

Sec. 8. Any borrowing shareholder desiring to repay his loan shall have the privilege of doing so at any time, by giving the association thirty days' written notice of such intention. The borrower shall be charged with the amount of the original loan, together with all the arrearages of interest, premium and fines and other legal charges, and shall be given credit for the withdrawal-value of his shares pledged as security; and the balance shall be received by the association in full satisfaction of said loan; provided, that in cases where the premium is deducted from the loan in a gross sum, and the borrower repays the loan before the expiration of the tenth year from the date upon which said loan was made, such borrower shall be given credit for one-tenth of the premium paid for every year of the said ten years then unexpired; provided, further, that any borrower desiring to retain his or her shares and membership may repay his loan without claiming credit for the withdrawal value of said shares, whereupon said shares shall be

retransferred to him or her, and shall be free from any claim by reason of said loan.

Sec. 9. By the term "withdrawal value" as used herein is meant: The then value of the stock at the time indicated in the connection in which the words are used less the lawful charges against such shares in favor of the corporation.

Sec. 10. No corporation or association created under this act shall cease or expire from neglect on the part of the corporation to elect officers at the time mentioned in their by-laws, and all officers elected to such corporation shall hold their offices until their successors are duly elected and qualified.

Sec. 11. Any loan or building association incorporated by or under this act is hereby authorized and empowered to purchase at any sheriff's or other judicial sale, or at any other sale, public or private, any real estate upon which such association may have or hold any mortgage, lien or other encumbrance, or in which said association may have an interest for the purpose of collecting any debt due it, or for the protection of its interest in such real estate, and the real estate so purchased to sell, convey, lease or mortgage, at pleasure to any person or persons whomsoever, and to the highest bidder after advertising same in some local paper for four consecutive weeks.

Sec. 12. Any loan or building association incorporated under this act, or any prior act, may extend the duration of time for which said association was organized by a vote of two-thirds of the capital stock of such association represented and voting at any annual meeting of the stockholders of such association, or at any special meeting called for that purpose: thereupon the board of directors shall transmit a copy of the proceedings of such annual meeting or of such special meeting, duly attested, to the Secretary of State, who shall make a duly authenticated copy thereof, as provided in said Section 3 of this act, certifying to the extension of time of such corporation, and the same shall be filed with the Commissioner of Insurance and Banking and recorded as provided in said Section 3 of this act, and any building and loan association incorporated under any prior act, and extending the duration of the time for which it was incorporated, in the manner herein provided, shall be deemed as incorporated under and be vested with all the power given in this act, the same as though such cor-

poration had been originally incorporated under it.

Sec. 13. Each association formed under the provisions of this act shall, at the close of its first year's operations, and annually at the same period in each year thereafter publish in at least one newspaper published in the same place where its principal office may be located, or if no newspaper be published in such place, then in the newspaper published nearest such place, a concise statement, verified by the oaths of its president and secretary, showing the actual financial condition of the association, and the amount of its property and liabilities, specifying the same particularly.

Sec. 14. The Commissioner of Insurance and Banking shall have supervision of all building and loan associations doing business in this State, and shall be charged with the execution of the laws of this State relating to such associations; provided, that during the absence or disability of the Commissioner of Insurance and Banking his chief clerk or deputy shall be authorized to perform all the duties relating to the control and supervision of such associations and the execution of the laws above described.

Sec. 15. Every building and loan association doing business within this State shall, on the first day of January of each year, or within sixty days thereafter, file with the Commissioner of Insurance and Banking a full and detailed statement of its financial condition on the 31st day of the preceding December, and the business transacted during the preceding year within this State. Said statement shall set forth the amount and character of its assets, liabilities, receipts and disbursements, and shall contain such other information, and be in such form as the Commissioner of Insurance and Banking may prescribe, and shall be subscribed and sworn to by the secretary and treasurer of such association. Any such association refusing or neglecting to file the annual statement herein required within the period hereinbefore prescribed shall forfeit five dollars per day for each and every day such statement shall be withheld, and the Commissioner of Insurance and Banking may maintain an action in the name of the State to recover such penalty, which, upon its collection, shall be paid into the State Treasury. And shall within thirty days after such refusal to file such annual statement, investigate the affairs of the association if found in a failing condition take charge of its affairs.

Sec. 16. Once in each year, or oftener, if in the opinion of the Commissioner of Insurance and Banking it shall be necessary, the Commissioner of Insurance and Banking shall make or cause to be made, an examination into the affairs of all building and loan associations doing business in this State. Such examinations shall be full and complete, and in making the same the examiner shall have full access to, and may compel the production of all books, papers and moneys, etc., of the association under examination, and may administer oaths to and examine the officers of such association or any other person connected therewith, as to its business and affairs.

The Commissioner of Insurance and Banking may appoint such special examiners as may be necessary to carry out the provisions of this act. Such examiner shall be paid at the rate of eight dollars per day; they shall also receive necessary traveling expenses connected with the duties of their office, which shall be paid by the State Treasurer on the warrant of the Commissioner of Insurance and Banking and the approval of the Governor.

Sec. 17. Whenever it shall appear to the Commissioner of Insurance and Banking that the affairs of any such association are in an unsound condition, or that it is conducting its business in an unsafe or unlawful manner, such Commissioner shall at once notify the board of directors of such association, giving them twenty days in which to restore its affairs to a safe and sound condition, or to discontinue its illegal practices. If after twenty days such restoration shall have not been made, or such illegal practices shall have not been discontinued, said Commissioner may order one of the examiners, appointed to examine such association, or a special examiner appointed for the purpose, to take possession of all books, records and assets of every description of such association and hold and retain possession of the same pending the further proceedings hereinafter specified. Should the board of directors, secretary or person in charge of such association refuse to permit the said examiner to take possession aforesaid, said Commissioner shall communicate such fact to the Attorney General, whereupon the Attorney General shall at once institute such proceedings as may be necessary to place such examiner in immediate possession of the property of such association. Upon taking possession of the effects of the association as aforesaid,

said examiner shall prepare a full and true statement of the affairs and condition of such association, including an itemized statement of its assets and liabilities, and shall receive and collect all debts, dues and claims belonging to it, and may pay the immediate and reasonable expense of his trust. Said examiner shall be required to execute to the Commissioner of Insurance and Banking a good and sufficient bond, conditioned for the faithful discharge of his duties as custodian of such association, which said bond shall be approved by said Commissioner.

The Commissioner of Insurance and Banking shall, within fifteen days next after said examiner has acquired possession of the property of such association, convene a special meeting of the shareholders for the purpose of considering and acting upon the examiner's report of the affairs and conditions of such association as found by him from his examinations thereof. The shareholders may, at said special meeting, by the votes of those owning two-thirds of the shares in force, resolve to go into liquidation, and for that purpose may, by a majority vote of those present, elect from among their number a receiver and fix his compensation. The compensation to be allowed a receiver under this act shall be an amount reasonably in proportion to the value of the property of the association, and in no event shall exceed \$2500 per annum. A copy of said resolution, duly certified by the presiding officer and secretary of said special meeting, together with the name and address of the receiver thus elected, shall be filed with the Commissioner of Insurance and Banking. Said receiver shall be charged with a proper distribution of the assets, discharge of all liabilities and final closing up of the business of such association, and before he shall enter upon the duties of his office he shall be required to execute to the association a good and sufficient bond, conditioned for the faithful discharge of his duties, which shall be approved by and filed with said Commissioner. Upon the election and qualification of said receiver, as aforesaid, the said examiner shall, when so ordered by the Commissioner of Insurance and Banking, turn over and deliver to said receiver all the books, papers, money and effects of every description in his hands belonging to such association. Said receiver shall, upon the completion of said duties entrusted to him, prepare a statement to that effect, inserting therein that all of the liabilities of such

association have been completely discharged and its assets and property distributed among all the persons entitled thereto. Said statement shall be subscribed and sworn to by said receiver and filed with the Commissioner of Insurance and Banking, and a notice of such dissolution shall be published for three successive weeks in any newspaper published in the county wherein the principal office of such association is located. Upon the filing of said statement and making publication, as aforesaid, such association shall be deemed dissolved.

Sec. 18. If after having called a meeting of the shareholders as herein provided, the Commissioner of Insurance and Banking shall find that liquidation by the shareholders can not be had or consummated, he shall communicate such fact, together with a statement of the condition of the association to the Attorney General, who shall thereupon institute the necessary proceedings to enjoin such association from doing any further business, and for the appointment of a receiver therefor.

Sec. 19. If a shareholder be in arrears in the payment of dues upon unpledged shares, the board of directors may, if the shareholder fails to pay the amount of arrears within thirty days after notice, declare said shares forfeited. The withdrawal value of said shares at the time of forfeiture shall be ascertained and paid to such shareholder upon such notice as the by-laws may prescribe, provided that fines for the non-payment of dues, interest or premium shall not exceed one per cent per month on each dollar in arrears.

Sec. 20. The gross earnings of every building and loan association shall be ascertained at least once in each year, from which shall be deducted a sufficient amount to meet the operating expenses of such association, and from said earnings only shall such expenses be paid. From the balance of the earnings there shall be set aside at least one per cent annually as a reserve fund, until such fund reaches five per cent of the outstanding loans, at which rate it shall thereafter be maintained and held by annual appropriations from the earnings. From said reserve fund shall be paid all losses sustained by said association from depreciation of securities or otherwise. After providing for expenses of the association, and the reserve fund, as aforesaid, the residue of such earnings shall be transferred and apportioned to the credit of shareholders as the association by its by-laws shall provide.

Sec. 21. At the annual meeting, or at any meeting called for that purpose, any two or more building and loan associations organized under the laws of this State may by two-thirds of the vote of all shareholders of each of the different associations resolved to consolidate into one upon such terms as shall be mutually agreed upon by the directors of such associations. Any shareholder not consenting to such consolidation shall be entitled to receive the withdrawal value of his stock in settlement, or, if a borrower, to have such value applied in part settlement of his loan; provided, that such consolidation shall not take effect until a copy of said resolution, certified by a majority of the board of directors of each association, shall be filed with the Secretary of State, and with the Commissioner of Insurance and Banking, and recorded in the manner hereinbefore provided.

Sec. 22. At the annual meeting, or at any meeting called for that purpose, any building and loan association of this State may, by the vote of shareholders owning two-thirds of the shares in force, resolve to liquidate and dissolve the corporation. In order to facilitate such dissolution the board of directors may, if they deem advisable, sell and transfer the mortgage securities and other property of such association to another corporation, person or persons, subject, however, to the vested and accrued rights of the mortgagors; provided, that before said resolution shall have effect, a copy thereof, certified by the president and secretary of such association, together with an itemized statement of its assets and liabilities, sworn to by a majority of directors, shall be filed with the Commissioner of Banking and Insurance. After filing a copy of the resolution as aforesaid, it shall be unlawful for such association to issue stock or make any loans, but all of its income and receipts, in excess of actual expense of management, shall be applied to the discharge of its liabilities.

Sec. 23. Every officer, director, member of any committee, clerk or agent of any building and loan association doing business in this State, who embezzles, abstracts or misapplies any of the moneys, funds or credits of such corporation, who issues or puts into circulation any warrant or other orders, who assigns, transfers, cancels or delivers up any note, bond, draft, mortgage, judgment, decree, or any other written instrument belonging to such association, who certifies to or makes a false entry in any book, report or statement of or

to such association, with intent in either case to deceive, injure or defraud such association, or any member thereof, or to deceive any one appointed to examine the affairs of such association, shall be deemed guilty of a felony, and on conviction thereof shall be imprisoned in the State penitentiary for a period of not less than one year nor more than ten years. Any officer whose duty it is, failing to make the reports required by this act, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be fined not less than twenty-five dollars nor more than two hundred dollars, or shall be imprisoned not less than one month nor more than six months.

Sec. 24. The Commissioner of Insurance and Banking shall, annually, at the earliest possible date after the statements of such associations are received, make a report to the Governor of the general conduct and condition of all building and loan associations doing business in this State, including the information contained in such statements, arranged in tabular form, together with such suggestions as he may deem expedient. There shall be printed of said report as many copies as the Commissioner of Insurance and Banking shall deem necessary.

Sec. 25. Every building and loan association organized under the laws of this State shall be subject to and pay to the Secretary of State the following fees, which fees shall be paid into the State Treasury, to-wit: for filing articles of associations' by-laws, amendments, or any other paper, one dollar; for making and certifying to articles of association, by-laws, or any other paper required to be filed with the Secretary of State, twenty cents per folio of one hundred words; for making the annual examinations herein provided, one-seventy-fifth part of one per cent of the gross amount of assets of such association, which fee shall be paid at the time of filing its annual statement, and shall at the same time pay to the Secretary of State an annual franchise tax of ten dollars; provided, that the examination fee of any association shall not be less than twenty dollars nor more than one hundred dollars in any one year; provided further, that the expense incurred and services, other than examinations performed especially for such association shall be paid in full by such association.

Sec. 26. The foreign building and loan associations doing business in this State shall conduct the same in accordance with the laws of this State governing do-

mestic building and loan associations, and shall comply with all requirements of said laws, except as herein provided.

Sec. 27. No foreign building and loan association shall do any business in this State until it shall procure from the Secretary of State a certificate of authority to do so. To procure such certificate of authority such foreign association shall comply with the following provisions:

First. It shall file with the Secretary of State a certified copy of its articles of incorporation, a copy of its by-laws and rules governing it, and of its certificates and all printed matter issued by it, together with a statement of its financial condition such as is required annually from all building and loan associations organized under the laws of this State.

Second. It shall file with the Secretary of State a written instrument, properly executed, agreeing that any summons or process of any court in this State may issue against it from any county in this State, and when served upon the Secretary of State shall be accepted irrevocably as a valid service upon such foreign association; provided, however, that the Secretary of State shall mail a copy of any such legal process served upon him to the home office of such foreign association, and the Secretary of State shall, within six days, certify to the court from which such summons or process issued the fact of such mailing. The plaintiff shall for each process so served pay to the Secretary of State, at the time of such service, a fee of two dollars, which shall be recovered by the plaintiff as part of the taxable costs if he prevail in the suit.

Third. It shall deposit with the Secretary of State one hundred thousand dollars (\$100,000), either in cash or bonds of the United States, or bonds of any State in the United States, or bonds of any county or municipal corporation in the State of Texas, or mortgages, being first liens on improved and productive real estate located within this State, and worth at least twice the amount of the liens, or furnish surety company bond in said sum of \$100,000, which securities or surety company bond shall be approved by the Secretary of State. Said deposit shall be held as security for all claims of residents of this State against such foreign associations, and shall be liable for all judgments or decrees thereon; and said securities shall not be released until all shares of such foreign associations held by residents of this State shall have been fully

redeemed and paid off, and its contracts and obligations to residents of this State shall have been fully performed and discharged. Such foreign associations may collect and use the interest on any securities so deposited, so long as it fulfills its obligations and complies with the provisions of this act. It may also exchange them for other securities of equal value, if satisfactory to the Secretary of State; provided, that if the business of such associations be solely that of lending money in this State, and that it sells none of its stock except where loans are actually made on real estate in this State for the full amount of the stock so sold, and made at the time of the sale of such stock, then in such event the provisions of this act requiring a deposit bond of one hundred thousand dollars (\$100,000) shall not apply.

Sec. 28. All such securities deposited with the Secretary of State shall be immediately deposited by him with the State Treasurer, who, with his sureties, shall be responsible for the safe keeping thereof. The State Treasurer shall deliver such securities only upon the written order of the Secretary of State.

Sec. 29. Whenever such foreign association has complied with the provisions of this act, the Secretary of State shall so certify to the Commissioner of Insurance and Banking, and thereupon such foreign association shall also furnish to the Commissioner of Insurance and Banking a full and complete financial statement of its affairs duly sworn to by its president and secretary, together with such other information as said Commissioner of Insurance and Banking may require, which said report shall be filed annually thereafter. And if the Commissioner of Insurance and Banking is satisfied that such association is in sound financial condition and shall be satisfied that such foreign association is conducting its business in accordance with the laws of this State, and shall regard it safe, reliable and entitled to public confidence, he shall so certify to the Secretary of State, who shall issue certificate of authority and renewals of such certificate of authority upon the payment of the fees as herein provided.

Sec. 30. All foreign building and loan associations shall pay to the Secretary of State the following fees, which shall be paid into the State Treasury, to-wit: For filing each application for admission to do business in this State, fifty dollars (\$50); for each certificate of authority and annual renewal of the same, twenty-five dollars (\$25) and an annual fran-

chise tax of two hundred and fifty (\$250) dollars.

Sec. 31. If at any time any shareholder of such foreign association residing in this State shall recover judgment against such foreign association, and which after thirty days shall not have been satisfied, the State Treasurer, upon an order from the Secretary of State, shall proceed to sell at the current market value sufficient of the bonds, or collect sufficient of the mortgage securities deposited with him, to satisfy the amount of such judgment, together with five per cent for his services and expenses; provided, that before ordering the State Treasurer to dispose of such securities as aforesaid the Secretary of State shall be served with an affidavit by the plaintiff or his attorney, setting forth the recovery of judgment, and that the same has remained unpaid for thirty days, and that no proceedings are pending for appeal or reversal of the same; provided further, that such foreign association, after notice of the service of such affidavits, shall not transact any new business in this State until any deficiency of securities caused by the necessity of satisfying such judgments shall have been made good by further deposit of similar securities with the Secretary of State.

Sec. 32. Every foreign building and loan association doing business in this State shall be subject to the same examinations as are building and loan associations organized under the laws of this State; provided, that the expense of all examinations of such foreign association shall be paid by the association examined, and the money so received shall be paid into the State Treasury; provided, it shall not be necessary for such examination to be made but once in each year; provided further, that such such expense shall only include the necessary traveling expenses of such examiner and the sum of eight dollars per day for each day actually required in making such examinations.

Sec. 33. Should the Secretary of State find, upon examination, that such foreign association does not conduct its business in accordance with law, or that the affairs of such foreign association are in an unsound condition, or if such foreign association refuses to permit examination to be made, he may revoke the certificate of authority granted such foreign association to do business in this State; provided, that upon the revocation of such certificate of authority, the

Secretary of State shall mail a notice thereof to the home office of such foreign association, and cause a similar notice to be published in at least one newspaper published in the city of Austin. After publication of said notice it shall be unlawful for any agent of such foreign association to receive any further payments on shares from shareholders residing in this State, except payment on shares on which a loan has been made.

Sec. 34. No foreign building and loan association shall be permitted to do business in this State unless the provisions of this act are fully complied with and all contracts made by such foreign associations while in default shall be absolutely void. Any such association violating any of the provisions of this act, or failing to comply with any of its provisions, shall be subject to a fine of not less than one hundred dollars, nor more than five hundred dollars, such fine to be recovered by an action in the name of the State of Texas, in any court of competent jurisdiction, and upon the collection thereof the same shall be paid into the State Treasury.

Sec. 35. It shall be unlawful for any person to act as agent for any building and loan association not authorized to do business in this State, or to solicit, sell or dispose of any shares of any such unauthorized association; and any person or persons acting for any such unauthorized association, or in any manner aiding in the transaction of the business of such association in this State, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than fifty dollars, nor more than five hundred dollars for each offense, and in default of payment of such fine shall be imprisoned in the county jail for a period not to exceed one year. All fines collected under the provisions of this section shall be paid into the State Treasury.

Sec. 36. All laws and parts of laws in conflict with this act are hereby repealed. The fact that there is now no adequate law in force in this State to properly safeguard its people against the sale of stock in irresponsible building and loan associations, and the near approach of the end of this special session, create an imperative necessity that the constitutional rule requiring bills to be read on three several days be suspended, and that this act take effect and be in force from and after its passage, and it is so enacted.

(Floor Report.)

Austin, Texas, August 16, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Agricultural Affairs, to whom was referred House bill No. 44, have had the same under consideration, and beg leave to report the same back to the Senate with the recommendation that it do pass and be printed in the Journal.

Astin, Chairman; Westbrook, Warren, Conner, Taylor, Bailey of DeWitt.

Following is the bill in full:

H. B. No. 44. By Calvin et al.
A BILL

To Be Entitled

An Act to amend Chapter 5 of the Revised Criminal Statutes of Texas of 1911, and Title 131 of the Revised Civil Statutes of Texas of 1911; providing for the conduct of the business of public warehousemen, describing what constitutes such warehouse, and defining who shall be held to be public warehousemen; providing that all persons, firms and corporations, or association of persons, shall obtain a certificate of authority from the county clerk of the county in which they intend to engage in said business of warehousemen, and defining the requisites of said certificate; providing that such public warehousemen shall issue negotiable and non-negotiable receipts for property stored in such warehouses, and vesting the supervision of such public warehouses in the Commissioner of Insurance and Banking, and defining his duty with reference to such warehouses, and directing said Commissioner to prescribe uniform public warehouse receipts for cotton; and requiring that any encumbrance on cotton stored in public warehouses shall be disclosed in the endorsement on the back of such negotiable receipt or certificate, and providing a penalty for failure to truthfully disclose such facts; preventing public warehousemen, by provisions inserted in their receipts, from limiting their liability under the law; providing for the negotiability of receipts issued; providing a penalty for public warehousemen who violate the provisions of this act; providing the conditions under which private warehousemen may conduct such business; providing for the appointment of a board of cotton grading examiners and defining their

duties; requiring public warehousemen storing cotton to employ a competent cotton classer, and affixing a penalty for failure to do so, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That Articles 969, 970, 971, 972, 973, 974, 975, 976 and 977 of Chapter 5 of the Revised Criminal Statutes of Texas for 1911, and Articles 7819, 7820, 7821, 7822, 7823, 7824, 7825, 7826 and 7827 of the Revised Civil Statutes of Texas of 1911, be and the same are hereby so amended as to hereafter read as follows:

Sec. 2. All persons, firms, companies or corporations who shall receive cotton, tobacco, wheat, rye, oats, rice, oil, or any kind of produce, wares, merchandise, or any description or personal property in store for hire, under the provisions of this act, shall be deemed and taken to be public warehousemen; and all warehouses which shall be owned or controlled, conducted and managed in accordance with the provisions of this act, shall be deemed and taken to be public warehouses, provided that a public warehouse for the storage of cotton may, within the meaning of this act, include a lot or parcel of land enclosed with a lawful fence, the gates or entrances to which shall be kept securely locked at night.

Sec. 3. The owner, proprietor, lessee or manager of any public warehouse, whether an individual, firm or corporation, before transacting any business in such public warehouse shall procure from the county clerk of the county in which the warehouse or warehouses are situated, a certificate that he is transacting business as a public warehouseman under the laws of the State of Texas, which certificate shall be issued by said clerk upon a written application, setting forth the location and name of such warehouse or warehouses, and the name of each person, individual, or a member of the firm, interested as owner or principal in the management of the same, or, if the warehouse is owned or managed by a corporation, the names of the president, secretary and treasurer of such corporation shall be stated, which application shall be received and filed by such clerk and preserved in his office; and the said certificate shall give authority to carry on and conduct the business of a public warehouse within the meaning of this act, and shall be revokable only by the district court of the county in which the warehouse or

warehouses are situated, upon a proceeding before the court, on complaint by written petition of any person, setting forth the particular violation of the law, and upon process, procedure and proof as in other civil cases. The person receiving a certificate, as herein provided for, shall file with the county clerk granting same a bond, payable to the State of Texas, with good and sufficient surety, to be approved by said clerk, in the penal sum of five thousand dollars, conditioned for the faithful performance of his duty as a public warehouseman, which said bond shall be filed and preserved in the office of such clerk.

Sec. 4. On application of the owner or depositor of the property stored in a public warehouse, the warehouseman shall issue, over his own signature, or that of his duly authorized agent, a public warehouse receipt therefor, to the order of the person entitled thereto; which receipt shall purport to be issued by a public warehouse, shall bear date of the day of its issue, and shall state upon its face the name of the warehouse and its location, the description, quantity, number and marks of the property stored, where such receipt is for cotton it shall state the class and weight, and the date on which it was originally received in warehouse, and that it is deliverable upon the return of the receipt, properly endorsed by the person to whose order it was issued, and on payment of all charges for storage, and insurance, which charges shall be stated in the face of the receipt. All such receipts shall be numbered consecutively, in the order of their issue; and when such receipt is for cotton the receipt shall state whether the cotton therein described is exposed to the weather or is under shelter; and a correct record of such receipt shall be kept in a well bound book, which shall be, at all reasonable hours, open to examination by any interested person; and no two receipts bearing the same number shall be issued from the same warehouse during the same year, nor shall any duplicate receipt be issued, except in the case of a lost or destroyed receipt, in which case the new receipt shall bear the same date and number as the original, and shall be plainly marked on its face "duplicate," and provided, that no such duplicate receipt shall be issued by the public warehousemen until adequate security acceptable to the warehouseman be deposited with or to the order of said warehouseman, to protect the party or parties who may finally hold the original receipt in good faith and for a valuable consideration.

Sec. 5. The supervision of public warehouses shall be under the control of the Commissioner of Insurance and Banking, whose duty it shall be to prescribe all forms of receipts, certificates, and records of whatsoever description necessary in the conduct of the business of public warehouses; and in providing forms for handling those products which are of general commercial character, the said commission shall prescribe forms answering to all usual requirements of negotiable receipts of certificates. The Commissioner of Insurance and Banking is hereby empowered and directed to make not less than one examination each year of all such public warehouses, the necessary expense of such examination or examinations to be paid by the warehouse.

Sec. 6. The Commissioner of Insurance and Banking shall provide a uniform public warehouse receipt for cotton which shall be used by all public warehouses coming under the provisions of this act, which said receipt shall conform in all respects to the provisions herein set out. In addition to the other provisions such receipt shall have a blank form on the back thereof, to be filled in and signed by the owner of the cotton showing whether or not such cotton is free from encumbrance or liens of any kind.

Sec. 7. If there is any encumbrance or liens of any kind on said cotton at the time of its storage the nature and amount of same shall be clearly set out and it is hereby made the duty of the public warehouseman or his authorized agent issuing the receipt, to have said blank filled in and signed by the owner of the cotton before issuing a negotiable receipt against same; provided, however, such statement need not be made if a non-negotiable receipt is desired, but in such cases the public warehouseman issuing said receipt shall write or stamp across the face thereof the words "Not negotiable."

Sec. 8. If a person holding a non-negotiable receipt for cotton as is herein provided for, shall desire to obtain a negotiable receipt in lieu thereof, he shall return said non-negotiable receipt to the public warehouse issuing same and thereupon shall comply in every respect with the provisions of this chapter relating to negotiable receipts, and upon compliance therewith a negotiable receipt shall be issued to him in lieu of said non-negotiable receipt and said non-negotiable receipt thereupon shall be cancelled, and the word "cancelled" plainly marked in ink across the face thereof.

Sec. 9. Any person making a false statement concerning liens, mortgages, encumbrances or indebtedness of whatsoever nature against the cotton, or who shall in any particular conceal the existence of liens, mortgages, encumbrances or indebtedness of any kind that may exist against such cotton, or who shall fail to truthfully make the statements provided for by this act, shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine of one thousand dollars, or imprisonment in the penitentiary for one year, or by both such fine and imprisonment.

Sec. 10. No public warehouse receipt shall be issued except upon the actual previous delivery of the goods in the public warehouse or on the premises, and under the control of the public warehouseman by whom it purports to be issued; and the name of the warehouse shall invariably be specified in such receipt.

Sec. 11. On the presentation and return to the warehouseman of any public warehouse receipt issued by him and properly indorsed, and the tender of all proper warehouse charges upon the property represented by it, such property shall be delivered immediately to the holder of such receipt; but no public warehouseman who shall issue a receipt for goods shall, under any circumstances or upon any order or guarantee whatsoever, deliver the property for which receipts have been issued, until the said receipt shall have been surrendered and cancelled, except in case of lost receipts, as provided for in Section 4; and, in default of the strict compliance with the provisions of this article, he shall be held liable to the legal holder of the receipt for the full value of the property therein described, as it appeared on the day of the default, and shall, furthermore, be liable to the special penalty herein provided. Upon delivery of the goods from the warehouse, upon any receipt, such receipt shall be plainly marked in ink across its face with the word "cancelled," with the name of the person cancelling the same, and shall thereafter be void, and shall not again be put in circulation.

Sec. 12. No public warehouseman shall insert in the public warehouse receipt issued by him any language limiting or modifying his liabilities or responsibilities as imposed by the laws of this State, excepting, "not accountable for leakage or depreciation," or words of like import and meaning.

Sec. 13. The receipt issued against property stored in public warehouses, as

herein provided for, shall be negotiable and transferable by endorsement in blank or by special endorsement, and delivery in the same manner and to the same extent as bills of exchange and promissory notes now are, without other formality; and the transferee or holder of such public warehouse receipt shall be considered and held as the actual and exclusive owner, to all intents and purposes, of the property therein described, subject only to the lien and privilege of the public warehouseman for storage and other warehouse charges; provided, however, that all such public warehouse receipts as shall have the words "not negotiable" plainly written or stamped on the face thereof, shall be exempt from the provisions of this article; and provided further, that no public warehouseman shall issue warehouse receipts against his own property in his own warehouse; but, upon sale of such property in good faith may issue to the purchaser his public warehouse receipt in form and manner as herein provided, which issue and delivery of the receipt shall be deemed to complete the sale, and shall constitute the purchaser full owner, as aforesaid, of the property therein described. Nothing in this last clause shall be construed to exempt the issuer of said receipt for his own goods in his own public warehouse, from complying with and being in all respects to all other articles of this chapter.

Sec. 14. Any public warehouseman who violates any of the provisions of this law shall be deemed guilty of criminal offense, and upon indictment and conviction thereof, shall be punished by fine in any sum not exceeding five thousand dollars, or imprisonment in the State penitentiary not exceeding two years, or by both such fine and imprisonment.

Sec. 15. Any, every and all persons aggrieved by the violations aforesaid shall have the right to maintain an action against the person or persons, corporation or corporations, so violating any of the provisions of this law, for the recovery of damages which he or they may have sustained by reason of such violation aforesaid, before any court of competent jurisdiction, whether such person or persons so violating shall have been convicted of criminal offense under this law or not.

Sec. 16. Nothing in this law shall be construed to apply to private warehouses or to the issue of receipts by their owners or managers under existing laws, or to prohibit public warehousemen from issuing such receipts as are now issued

by private warehousemen under existing laws; provided, that such private warehouse receipts issued by public warehousemen shall never be written on a form or blank indicating that it is issued from a public warehouse, but shall, on the contrary, bear on its face, in large characters, the words "not a public warehouse receipt."

Sec. 17. For the purpose of establishing greater security in cotton stored in public warehouses and facilitating the negotiability of public warehouse receipts or certificates, there is hereby created a State board of examiners, to be composed of three members, who shall be appointed by the Governor for a period of two years, and who shall receive compensation at the rate of ten dollars per day and necessary traveling expenses for the time actually engaged in the performance of such duties, to be paid out of any funds in the State Treasury not otherwise appropriated. It shall be the duty of such board to meet at least once each year in some central location, notice of which time and place of meeting shall be published in at least five daily papers in different parts of the State thirty days before the date set for the meeting, such meeting or meetings not to exceed six days in any one year; and to hold examinations of all persons presenting themselves for examination as cotton classers, and to issue certificates of proficiency to those who successfully meet the requirements of such rules as the said board may establish for this purpose. The board shall require from each applicant for examination the payment of an examination fee of three dollars, which sums shall be paid into the State Treasury. It shall be the duty of all persons conducting public warehouses to have in their employ some person possessing a certificate of proficiency as a cotton classer from the State board of cotton grading examiners, and it shall be the duty of such cotton classers to classify all cotton received by such public warehouse for storage and for which a receipt or certificate is issued.

Sec. 18. The fact that the existing law regarding the regulation of bonded warehouses is inadequate to meet the requirements of commerce and properly safeguard the handling of cotton and other products stored in such warehouses creates an emergency and imperative public necessity that the constitutional rule requiring bills to be read on three several days be suspended, and that this bill be placed on its third reading and

final passage and take effect and be in force from and after its passage, and it is so enacted.

PETITION.

By Senator Gibson:

A resolution from the Paris Board of Trade requesting the Governor to submit certain legislation.

TWENTY-FOURTH DAY.

Senate Chamber,
Austin, Texas,
Monday, August 18, 1913.

The Senate met pursuant to adjournment, and was called to order by Lieutenant Governor Will H. Mayes.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Lattimore.
Bailey of De Witt.	McGregor.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Oliver.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Harley.	Westbrook.
Hudspeth.	Wiley.
Johnson.	Willacy.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Terrell.

(See Appendix for standing committee reports.)

Morning call concluded.

SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Lattimore:

Resolved, That the chairman of the Contingent Committee be instructed to pay Ellis Monroe, Chester Odom, Erwin Hatcher and Horace Nichols, porters, \$2 per day for two days each for cleaning the Senate Chamber before Senate convened.

The resolution was read and adopted.

EXECUTIVE SESSION—TIME SET FOR.

The Chair here announced that the hour for the Senate to hold executive session had arrived, and

Senator McNealus moved that the executive session be postponed and that the Senate hold executive session tomorrow morning at 10 o'clock, for the purpose of considering appointments sent to the Senate on August 12, 14, 15 and 16.

OATH OF OFFICE ADMINISTERED.

Senator Hudspeth asked unanimous consent to make a privileged motion in writing, which motion is as follows:

Whereas, The Hon. W. L. Hall has been elected a State Senator to fill the unexpired term of Senator J. E. Kauffman, deceased; and

Whereas, It is conceded that Hon. W. L. Hall has been elected by a large majority; therefore, be it

Resolved, That Mr. Hall be called to the President's stand and the oath of office as a State Senator be administered to him.

The above motion was read, and

Senator Lattimore made the point of order that the motion was not a privileged motion and could not displace the pending motion, and the Chair sustained the point of order.

Senator McNealus then withdrew his motion, and action recurred on motion by Senator Hudspeth, and the same was adopted.

Senator-elect Hall was escorted to the President's stand, whereupon the constitutional oath of office was administered him by Lieutenant Governor Mayes.

EXECUTIVE SESSION—TIME SET FOR.

Action then recurred on the motion to fix the time for executive session to consider the appointments sent to the Senate by the Governor, that have not been confirmed, which motion was adopted.

HOUSE MESSAGE.

Hall of the House of Representatives,
Austin, Texas, August 18, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: I am directed by the House to